



# ***Daily Report***

---

## **China**

FBIS-CHI-95-114  
Wednesday  
14 June 1995

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

# Daily Report

## China

FBIS-CHI-95-114

### CONTENTS

14 June 1995

NOTICE: An \* indicates material not disseminated in electronic form.

#### INTERNATIONAL AFFAIRS

##### General

Further Comments From Foreign Ministry Spokesman .....	1
Li Visit Causes 'Grave Impact' [ <i>Beijing International</i> ] .....	1
Urges U.S. To Make Amends [ <i>ZHONGGUO XINWEN SHE</i> ] .....	1
Discusses U.S. Ties [ <i>Beijing International</i> ] .....	1
Further Comments [ <i>XINHUA</i> ] .....	2
Envoy Confirms Beijing Plans More Nuclear Tests [ <i>Tokyo KYODO</i> ] .....	2
Further on U.S.-DPRK Nuclear Talks .....	3
Clinton Reassures Kim Yong-sam [ <i>Beijing International</i> ] .....	3
Parties Reach Agreement [ <i>Beijing International</i> ] .....	3
Nuclear Framework Outlined [ <i>XINHUA</i> ] .....	3
Beijing Steps Up Ties on Environmental Protection [ <i>XINHUA</i> ] .....	4

##### United States & Canada

Further Reportage on Li Teng-hui's U.S. Visit .....	4
U.S. To Pay 'Heavy Price' [ <i>Hong Kong WEN WEI PO 12 Jun</i> ] .....	4
Li 'Marionette' in U.S. Policy [ <i>RENMIN RIBAO 11 Jun</i> ] .....	6
U.S. Chinese Oppose Visit [ <i>RENMIN RIBAO 10 Jun</i> ] .....	6
'Anti-China Forces' Viewed [ <i>Hong Kong WEN WEI PO 10 Jun</i> ] .....	7

##### Central Eurasia

Vice Premier Li Lanqing Arrives in Moscow .....	8
Begins Official Visit [ <i>XINHUA</i> ] .....	8
Meets Russian Counterpart [ <i>XINHUA</i> ] .....	8
Xinjiang Leader Meets Kyrgyz Delegation [ <i>XINJIANG RIBAO 30 May</i> ] .....	9

##### Northeast Asia

Industrial Cooperation Meeting With ROK Opens .....	9
Bilateral Projects Discussed [ <i>XINHUA</i> ] .....	9
Li Peng, Delegation View Ties [ <i>XINHUA</i> ] .....	9

##### Southeast Asia & Pacific

Ambassador, Burmese Justice Celebrate Ties [ <i>XINHUA</i> ] .....	10
Cambodian Foreign Minister Arrives in Shanghai [ <i>XINHUA</i> ] .....	10
Leader Visits Families of Detained Filipinos [ <i>XINHUA</i> ] .....	10
Zou Jiahua Meets Australian Minister Evans [ <i>XINHUA</i> ] .....	11

##### Near East & South Asia

NPC Delegation Meets Kuwaiti Leaders [ <i>XINHUA</i> ] .....	11
NPC Official Meets With Mauritanian Premier [ <i>XINHUA</i> ] .....	12
PLA General Fu Meets Bangladesh Army Chief [ <i>XINHUA</i> ] .....	12

##### Sub-Saharan Africa



Cultural Delegation Visits Mozambique [XINHUA] .....	12
CPC Delegation Meets Namibian President [XINHUA] .....	12
Li Peng Meets With Tanzanian Foreign Minister [XINHUA] .....	13

#### Latin America & Caribbean

Li Ruihuan Continues Cuban Visit .....	13
Discusses Issues With Castro [XINHUA] .....	13
Meets With Foreign Minister [XINHUA] .....	14
Hails Ties [XINHUA] .....	14

#### NATIONAL AFFAIRS

##### Political & Social

Articles Attacking Deng To Emerge Upon His Death [Hong Kong SOUTH CHINA MORNING POST 14 Jun] .....	15
XINHUA Reports on Chen Yun Symposium .....	15
Jiang Zemin Addresses Forum .....	16
More on Jiang Speech .....	18
NPC Standing Committee 14th Meeting Begins 23 Jun [XINHUA] .....	18
Kong Fansen's Matching Words, Deeds Noted [RENMIN RIBAO 8 Jun] .....	19
School Ban for Hong Kong, Taiwan Students Noted [Hong Kong EASTERN EXPRESS 14 Jun] .....	20
Circular Issued on Control Over Exit Permits [XINHUA] .....	21
'Anti-Japanese War' History Series Published [XINHUA] .....	22
Survey Shows Increased Divorces Over Last Decade [XINHUA] .....	22
Report Proposes Antidisaster Construction Projects [Hong Kong HONGKONG STANDARD 14 Jun] .....	23

##### Science & Technology

Song Jian Addresses Nuclear Reactor Ceremony [XINHUA] .....	23
Seminar on Saving Ozone Layer Closes 13 Jun [XINHUA] .....	24

##### Military & Public Security

Zhang Zhen Meets Nanjing Military Leaders [Nanjing Radio] .....	24
Ren Jianxin Attends Public Security Meeting [XINHUA] .....	25
Five Executed for Urumqi Bomb Explosions [XINJIANG RIBAO 31 May] .....	26
*Outlook for 21st Century 'Information' Warfare [GUOJI HANGKONG 5 Mar] .....	26
*Journal Views Political-Military Outlook [Hong Kong KUANG-CHIAO CHING 16 Apr] .....	32

#### ECONOMIC AFFAIRS

##### General

*Labor Ministry Official Views Labor Reform [QIYE GUANLI 1 Mar] .....	37
Authorities To Fight Computer Smuggling [XINHUA] .....	39
*Status of Three Gorges Project Reported [JINRONG SHIBAO 3 Apr] .....	40
*Ministry Office Views Needs of Machine Industry [JIDIAN RIBAO 17 May] .....	41
Shaanxi's Coal, Oil, Natural Gas Deposits Noted [XINHUA] .....	46
*Significance of Beijing-Kowloon Rail Line Viewed [ZHONGGUO XINXI BAO 7 Mar] .....	47

##### Finance & Banking

Office To Improve Tax Administration Set Up [XINHUA] .....	48
*State Statistics Director Comments on Exaggeration [ZHONGGUO XINXI BAO 16 Mar] .....	48
*PBC Researcher Views Coexisting Two Highs [LIAOWANG 6 Mar] .....	51

#### Foreign Trade & Investment

Tianjin Courts Prepare To Hear IPR Cases [ZHONGGUO XINWEN SHE] .....	54
Beijing Holds International Invention Symposium [XINHUA] .....	54
Foreign Trade Figures for Jan-May Issued [XINHUA] .....	54

#### Agriculture

Zhu Rongji on Diversion of Purchasing Funds [XINHUA] .....	55
Jiangxi Stabilizing Regional Grain Markets [XINHUA] .....	55
*Yunnan Reports Grain Procurement, Price [XINAN JINGJI RIBAO 30 May] .....	56

### REGIONAL AFFAIRS

#### North Region

Hebei's Cheng Views Entrepreneurs' Development [HEBEI RIBAO 27 May] .....	57
Inner Mongolia Progresses in Poverty Irradication [XINHUA] .....	58
Shanxi Provincial Government Work Report [SHANXI RIBAO 1 Mar] .....	59
Tianjin's Gao Meets With Ford Auto Officials [TIANJIN RIBAO 24 May] .....	74

#### Northwest Region

Gansu's 1994 Economic, Social Statistics [GANSU RIBAO 21 Mar] .....	74
Xinjiang Chairman Views Kong Fansen's Deeds [XINJIANG RIBAO 31 May] .....	81

### PRC MEDIA ON TAIWAN AFFAIRS

XINHUA Commentary Criticizes Li Teng-hui .....	82
'Short Commentary' on Li's News Conference [XINHUA] .....	83
Academic Views Li Teng-hui's Tactics [XINHUA] .....	84
Democratic Association Condemns Li's U.S. Visit [XINHUA] .....	85
Shandong Radio Criticizes Li's U.S. Visit [Jinan Radio] .....	85
Li Teng-hui Must Not Stick to Wrong Course [Beijing Radio] .....	85
Party Chairman Chen Criticizes Li Teng-hui [ZHONGGUO XINWEN SHE] .....	86

### TAIWAN

Further Reportage on Li Teng-hui's U.S. Trip .....	88
Poll: Approval Rating Up [Taipei Radio] .....	88
Visit 'Broadens' Horizons [CNA] .....	88
Visit 'Common Wish' of Citizens [CNA] .....	89
Talks Continue on Taipei's WTO Entry [CNA] .....	89
Stanford University Seminar on Taipei's UN Bid [CNA] .....	90
Foreign Minister on 'Taiwan Experience' [CNA] .....	90
Cross-Strait Separation 'Is a Reality' [CNA] .....	94
SEF's Chiao, Ku Discuss Second Ku-Wang Talks [Taipei CHUNG-KUO SHIH-PAO 13 Jun] .....	95
SRV Taipei's Fastest-Growing Export Outlet [CNA] .....	95
Taipei To Share Rural Development Experience [CNA] .....	96
Trade Mission To Visit Central America [CNA] .....	96
Comparison of Li's Cornell University Speech .....	97

### HONG KONG & MACAO

#### Hong Kong

Legislators Dismiss Talk of Unconstitutional Court [ <i>Hong Kong EASTERN EXPRESS 14 Jun</i> ]	98
CFA Pact Praised as Result of PWC Labors [ <i>Hong Kong WEN WEI PO 10 Jun</i> ] .....	99
Wu Bangguo, Hong Kong Delegation Discuss Reform [ <i>XINHUA</i> ] .....	100
Daily Quota for Immigration Permits Increased [ <i>XINHUA</i> ] .....	100

## General

### Further Comments From Foreign Ministry Spokesman

#### Li Visit Causes 'Grave Impact'

OW1306163495 *Beijing China Radio International in Mandarin to Asia 0900 GMT 13 Jun 95*

[From the "News, Report on Current Events, and Economic Information" program]

[FBIS Translated Text] In answering a reporter's question on the impact on Sino-U.S. relations brought about by the visit to the United States by Taiwan's Li Denghui [Li Teng-hui], spokesman Shen Guofang pointed out: Li Denghui's visit to the United States has brought about a grave impact on cross-strait relations, as well as Sino-U.S. relations.

He called on the U.S. Government to adopt measures to thoroughly remove the grave implications the visit has created. He also expressed the hope that in the future, the Taiwan authorities will do more things that benefit the development of cross-strait relations.

#### Urges U.S. To Make Amends

HK1306153995 *Beijing ZHONGGUO XINWEN SHE in Chinese 1243 GMT 13 Jun 95*

[FBIS Translated Text] Beijing, 13 Jun (ZHONGGUO XINWEN SHE)— Foreign Ministry spokesman Shen Guofang pointed out this afternoon that the U.S. consent to Li Denghui's [Li Teng-hui] visit has seriously harmed [yan zhong sun hai 0917 6850 2275 1364] Sino-U.S. relations. China demands that the United States take genuine effective steps to thoroughly remove the serious consequences [che di xiao chu yan zhong hou guo 1796 1646 3194 7110 0917 6850 0683 2654] for Sino-U.S. relations resulting from Li Denghui's U.S. visit.

At a ministry news briefing, Shen again commented on Li Denghui's U.S. visit in response to reporters' requests.

Shen Guofang said: We hope that the Taiwan authorities can do more to help cross-strait unification. We also think that Li Denghui should not pursue actions that create "two Chinas" and "one China, one Taiwan," because this goes against the wish of the people on the two shores. Li Denghui's action will of course cast a shadow over the cross-strait relationship.

Shen believes that the latent, negative impact [qian zai di fu mian ying xiang 3383 0961 4104 6298 7240 1758 0742] of the U.S. permission for Li Denghui's visit on Sino-U.S. relations is serious [yan zhong di 0917 6850 4104]. Asked by a reporter if this has harmed Sino-U.S.

economic relations and trade, Shen Guofang replied: So far I have been unable to see any impact on Sino-U.S. economic relations created by Li Denghui's U.S. visit.

Shen said that China has noted that, in meeting with Li Daoyu, Chinese ambassador in the United States, U.S. President Clinton reiterated that the U.S. Government is pursuing a "one China" policy, not a "two Chinas" or a "one China, one Taiwan" policy, and that the United States is willing to establish a constructive relationship with China.

Shen Guofang stressed that the Chinese Government pays greater attention to action. If the United States is really serious about Sino-U.S. relations and about improving them, it should approach Sino-U.S. relations strictly in accordance with the principles of the three Sino-U.S. joint communiques.

#### Discusses U.S. Ties

OW1406111695 *Beijing China Radio International in English to Western North America 0400 GMT 14 Jun 95*

[From the "Current Affairs" program]

[FBIS Transcribed Excerpt] China has again criticized the United States for allowing Taiwan leader Li Denghui [Li Teng-hui] to visit the country. A Foreign Ministry spokesman commented on this and other issues at a press conference in Beijing Tuesday [13 June]. CRI's [China Radio International's] Yang Lei was there and Xu Huazhen has this report.

[Begin recording] [Xu] Taiwan leader Li Denghui's U.S. tour was again the focus of Tuesday's regular press conference. Foreign Ministry spokesman Shen Guofang criticized the U.S. for authorizing Li Denghui to visit the United State. He argued that no government should make decisions on foreign policy because of pressure and then neglect its obligations agreed on in international treaties.

[Shen] The U.S. permission for Li Denghui's visit has gravely harmed Sino-U.S. relationships. Where the relationships follow will entirely depend on the course the U.S. side will take. We hereby call upon the U.S. to take practical and effective measures to thoroughly remove the grave consequences Li Denghui's visit has caused Sino-U.S. relationships.

[Xu] The spokesman continued to say that the negative impacts will be reflected in future bilateral relations. But he assured U.S. businessmen that he did not foresee any negative economic impacts. Commenting on the imminent departure of U.S. Ambassador to China Stapleton Roy, the spokesman said: This matter has nothing to do with the Taiwan issue.

[Shen] [words indistinct] the U.S. withdrawal of ambassador is a normal rotation. [words indistinct] [passage omitted] [end recording]

#### Further Comments

OW1306144395 Beijing XINHUA Domestic Service  
in Chinese 0948 GMT 13 Jun 95

[FBIS Translated Text] Beijing, 13 Jun (XINHUA) — At this afternoon's news conference, Foreign Ministry spokesman Shen Guofang fielded reporter's questions on the passage of the "Resolution to Renew Resolve for Peace Based on the Lessons of History" by the lower house of the Japanese Diet, and the Sino-British agreement on the question of the Court of Final Appeal [CFA] in Hong Kong.

A reporter asked: What is the Chinese Government's comment on the "Resolution to Renew Resolve for Peace Based on the Lessons of History" ratified by the lower house of the Japanese Diet recently?

Shen Guofang said: The introspection on the war of aggression launched under Japanese militarism and the summing up of historical experiences and lessons by some Japanese political forces, which hope to utilize the historic moment of the 50th anniversary of the war against Fascism and China's victory in the War of Resistance Against Japan, are a reflection of the wish of the majority of the Japanese people. However, regrettably, there still exists a force in Japan, and its representative figures in the political arena, which do their utmost to distort history in an attempt to legitimize the aggression. Naturally, this wrong attitude has received vehement condemnations from peoples of all Asian countries who suffered deeply from the aggression. We hope Japanese politicians will overcome all kinds of obstructions, earnestly sum up and draw lessons from history, and help Japan continue to take the path of peaceful development on the basis of correctly understanding and treating history.

A reporter asked: China and Britain reached agreement on the question of the CFA in Hong Kong. What is the Chinese Foreign Ministry's comment on this issue?

The spokesman said: The Chinese and British sides reached agreement on the question of the CFA in Hong Kong after full and serious consultations. Proceeding from this basis, the body designated for the Hong Kong Special Administrative Region will, before 1 July 1997, assume responsibility over the preparations to establish the CFA before 1 July 1997 in accordance with the "Basic Law" and the "Regulations on the Court of Final Appeal," and the British side (including relevant departments of the British Hong Kong Government) will participate in the process and provide assistance. People

can see that on 1 July 1997, Hong Kong will for the first time in history have a court of final appeal, and will have an independent and complete justice system. The event has again attested to the Chinese side's determination to implement in Hong Kong the principles of "one country, two systems," "maintaining a high degree of autonomy," and "Hong Kong people administering Hong Kong."

He pointed out: The signing of the agreement on the question of the CFA in Hong Kong has resulted from the concerted effort of both the Chinese and British sides, and also from rather successful cooperation between the Chinese and British sides in handling matters pertaining to Hong Kong's transitional period. We hope it will produce a positive impact on future Sino-British cooperation in other Hong Kong issues, and on the development of Sino-British relations.

#### Envoy Confirms Beijing Plans More Nuclear Tests

OW1306132095 Tokyo KYODO in English  
1250 GMT 13 Jun 95

[By Susanne Ganz]

[FBIS Transcribed Text] Nagasaki, June 13 KYODO — A Chinese diplomat said Tuesday [13 June] China has "of course" scheduled further nuclear tests but would not confirm figures given by western defense experts.

Ambassador Cheng Ruisheng, currently serving at home at the Chinese Foreign Ministry, however, reiterated in an interview with KYODO NEWS SERVICE at a disarmament conference in Nagasaki that nuclear tests would be halted as soon as a comprehensive test ban treaty enters into force.

China drew fire from the international community for conducting another underground nuclear test last month only days after the nuclear Nonproliferation Treaty (NPT) was extended indefinitely.

Cheng, however, said the timing was "a mere coincidence" since nuclear tests are scheduled a long time in advance and did not amount to a demonstration of displeasure at the NPT extension.

Japan has said it will cut its grant-in-aid to China to protest the test. The other declared nuclear powers — Britain, France, Russia and the United States — have been observing a moratorium on tests in support of international efforts to reach a global test ban by the end of 1996.

Cheng said the world community is "overreacting" with regard to China's testing of nuclear devices, arguing that since exploding its first atomic bomb in 1964, China has conducted fewer tests than any of the other nuclear powers.



Western reports have said China has scheduled two tests this year and three in 1996. Cheng, however, said, "I am not aware of the actual numbers."

While expressing support for the proposed comprehensive test ban treaty, Cheng said China doubts such a ban and other nuclear disarmament measures will lead to the total abolition of nuclear weapons.

Pointing to international conventions banning the use of chemical and biological weapons, Cheng said, "we have to insist on a convention totally prohibiting nuclear weapons."

Chinese proposals that all nuclear powers commit themselves not to use nuclear weapons against a nonnuclear state and pledge no first use of nuclear weapons among each other were difficult to realize, he said, since Russia and the U.S. are still clinging to the concept of nuclear deterrence.

#### Further on U.S.-DPRK Nuclear Talks

##### Clinton Reassures Kim Yong-sam

SK1306124595 Beijing China Radio International  
in Korean 1100 GMT 13 Jun 95

[FBIS Translated Text] Yun Yo-chu, spokesman for the ROK president, told reporters today that U.S. President Clinton assured ROK President Kim Yong-sam that the ROK will play a central role in the DPRK's nuclear-related field. The spokesman stated: In today's letter to President Kim Yong-sam, President Clinton said standard light-water reactors manufactured by the ROK will be supplied to North Korea, with the ROK taking the entire responsibility for designing, manufacturing, and assembling the nuclear reactors as well as for managing their construction.

The spokesman added that in addition, President Clinton assured President Kim Yong-sam that the United States will make efforts to resume dialogue between South and North Korea.

##### Parties Reach Agreement

SK1306124195 Beijing China Radio International  
in Korean 1100 GMT 13 Jun 95

[FBIS Translated Text] On 12 June, U.S. and DPRK officials finished three weeks of negotiations on the nuclear issue in Kuala Lumpur, reaching a comprehensive agreement on pending questions in the negotiations. Thomas Hubbard, chief delegate for the United States and deputy assistant secretary of state, held two rounds of talks with Kim Kye-kwan, chief delegate for the DPRK and vice foreign minister. Following the talks, Hubbard stated: The sides have reached agreement on implementing the agreed framework signed by the two

countries last year, and have drawn up a comprehensive agreement.

However, he did not mention the details of the agreement, stating the agreement will come into effect after being approved by both the U.S. and North Korean Governments, and that only the two governments can decide whether to announce the contents of the agreement.

The DPRK announced that an agreement had been reached in the Kuala Lumpur negotiations.

Robert Gallucci and Winston Lord, U.S. assistant secretaries of state, held talks with ROK officials in Seoul last weekend to obtain the ROK's support for the U.S.-DPRK agreement. They reaffirmed the ROK should provide the DPRK with light-water reactors, and stressed the ROK would play a central role in the light-water reactor project.

##### Nuclear Framework Outlined

OW1306142995 Beijing XINHUA in English  
1340 GMT 13 Jun 95

[FBIS Transcribed Text] Kuala Lumpur, June 13 (XINHUA) — The United States and the Democratic People's Republic of Korea (DPRK) issued a joint press statement here today in which they outlined ways to implement the Geneva framework agreement on the nuclear issue.

The statement came after 25 days of talks here between teams led by U.S. Deputy Assistant Secretary of State for East Asian and Pacific Affairs Thomas Hubbard and DPRK Vice Foreign Minister Kim Kye-kwan.

At 5 p.m. local time, Hubbard and Kim appeared at the U.S. Embassy before a large crowd of reporters. Hubbard read the statement and then shook hands with Kim.

With the announcement of the statement, Kim said, both sides "removed the stumbling block" in implementing the framework agreement reached in Geneva last October.

The pact calls for the U.S. to provide light-water reactors (LWR) to the DPRK in exchange for the freezing and dismantling of its graphite-moderated reactors.

The statement said both sides reaffirmed their political commitment to implement the Geneva Accord.

It said the Korean Peninsula Energy Development Organization (KEDO), a multinational consortium led by the United States, South Korea, and Japan, will finance and supply the LWR project.

"The U.S. will serve as the principal point of contact with the DPRK for the LWR project. In this regard,

U.S. citizens will lead delegations and teams of KEDO as required to fulfill this role," the statement said.

It added that the LWR will consist of two pressurized light-water reactors with a generating capacity of approximately 1,000MW each.

The reactor model, selected by KEDO, will be the advanced version of U.S. design and technology currently under production, it said.

"On the basis of this statement, the DPRK will meet with KEDO as soon as possible to negotiate the outstanding issues of the LWR supply agreement," it added.

KEDO will select the program coordinator while a DPRK firm will enter into implementing arrangements as necessary to facilitate the LWR project, according to the statement.

In addition to the LWR project, the two sides decided that experts from both sides will meet in the DPRK later this month to draw up a schedule and cooperative measures for phased delivery of heavy fuel oil in accordance with the agreed-upon framework, the statement said.

The statement was released after the two negotiating teams received new directives from their respective governments overnight.

They were scheduled to return home today to continue consulting with top officials in their respective capitals.

#### **Beijing Steps Up Ties on Environmental Protection**

OW1406040895 *Beijing XINHUA in English*  
0124 GMT 14 Jun 95

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — Extensive overseas co-operation in environmental protection will support China's bid to assume a more vital role in preserving the environment by improving environmental quality with foreign funds, and by using technology and experience.

Xie Zhenhua, director of the State's Environmental Protection Bureau, made these comments while emphasizing that China, as a super power both in its population and environmental work, should make some important contributions to human beings in this field.

To date, China has used more than 1.15 billion yuan-worth of foreign funds for environmental protection, according to statistics.

Last year, China participated in a number of multi-lateral talks such as the Vienna Convention, the Montreal Protocol, Basle Pact, Pact on Diversity of Organisms, Pact on the Climate Changes Framework, and Convention on Desertization Prevention, and others, fol-

lowing the United Nations' Conference on Environment and Development.

China also mapped out ten major policies as sustainable development strategy, with environmental protection as the core of its agenda for development of China in 21st century.

In addition to a number of bilateral co-operation agreements signed with Japan, Russia, and Germany last year, the State Environmental Protection Bureau has also been busy with overseas partners, reportedly receiving over 180 foreign delegations, with a total of 600 people, in the past several years.

"The influx of foreign funds has facilitated the development pace in this field," Xie explained.

These include construction of a Sino-Japanese Friendship Environmental Protection Center, involving 10.2 billion Japanese Yen worth of donations by the Japanese Government, a donation of 1.38 million US dollars by the Asian Bank for environmental assessment and urban environmental improvements.

A total of 400 million US dollars from the World Bank, and the fourth batch of loans, expected to amount to 880 million US dollars, will support nine large scale environment projects in China.

### **United States & Canada**

#### **Further Reportage on Li Teng-hui's U.S. Visit**

##### **U.S. To Pay 'Heavy Price'**

HK1306125495 *Hong Kong WEN WEI PO in Chinese*  
12 Jun 95 p A2

[Editorial: "U.S. Government Tries To Hide Its Mistake, Only To Make It More Obvious"]

[FBIS Translated Text] By allowing Li Teng-hui to "make a private visit the United States," the U.S. Government has violated the principle laid down in the three Sino-U.S. Joint Communiques and has seriously harmed [sun hai 2275 1364] the basis of Sino-U.S. relations. This will have a serious impact [chan sheng yan zhong de ying xiang 3934 3932 0917 6850 4104 1758 0742] on Sino-U.S. bilateral relations as well as the situation in the Asia-Pacific region.

The U.S. Government has made such an important strategic change in its policy, but dares not concede it. This is the opposite of how a great power should behave. Perhaps in a bid to cover up U.S. intentions, U.S. President Bill Clinton requested an appointment with the Chinese ambassador to the United States the other day, claiming that the U.S. "one China" policy

has not changed at all and that, no matter how the Taiwan side publicizes it, Li Teng-hui's visit is totally nonofficial and private. He said: There are indeed some people in the United States pursuing the policy of "two Chinas" and "one China, one Taiwan." But he said that he is opposed to this stand and will continue to oppose it in the future. Clinton said that he will continue to seek the establishment of a constructive relationship with China and maintain the existing China policy. On the same day, however, when talking about the U.S. decision to allow Li to visit, a White House spokesman said that Clinton maintained that the decision was a correct one.

From Clinton's remarks we can see that the U.S. administrative authorities do not have a correct understanding of the current Sino-U.S. relations, which are in danger of being seriously damaged [shou dao yan zhong po huai 0649 0451 0917 6850 4275 0975]. After majestically setting foot on U.S. territory, Li delivered a political speech at a university, during which he mentioned the "Republic of China" many times, gave repeated publicity to the "Taiwan experience," and begged the United States to strengthen U.S.-Taiwan cooperation. Meanwhile the Pentagon announced that the United States would sell nearly \$200 million worth of military equipment to Taiwan. The U.S. Congress also passed a resolution, calling on the U.S. Government to support Taiwan's entry into the United Nations. It is under such circumstances that Clinton said the U.S. China policy has not changed at all. Just like the earlier explanations of the U.S. Government, this remark is totally unbelievable, because facts have amply proved its falsity. The U.S. earlier explanations have been proved a smoke-screen for its "surprise attack." The U.S. administrative department had solemnly vowed that it would not issue a visa to Li, but Clinton changed its attitude a few days later and, by presenting all reality as a phantom and all phantoms as real, tried to mitigate the strong opposition and corresponding actions of the Chinese Government.

Now that Li has ended his visit, people can see very clearly that the visit is an act on Li's part to seek external support for his real objective of splitting the country and an act of echoing the "Taiwan independence" elements and flagrantly challenging China's sovereignty. The United States and Congress have used Li as an instrument to split up and change China.

The United States has said again and again that allowing Li to visit the United States is a manifestation of "American democracy" and "respect for popular will." This is actually a case of imposing one's own values on another country. As people with foresight in the United States have put it, U.S. foreign policy has been thrown into total chaos because the Congress

can willfully change the policy of the administrative authorities and can even defy the official communiques and agreements the United States signed with other countries. Conservative politics is gaining ground in the United States. This brand of politics is driven by the Christian fundamentalist creed to "do right on behalf of Heaven" and impose American-style democracy on other countries, as if it were the only criterion. Not only are the rightist politicians hostile to China's political system, they are even trying to blatantly interfere in China's population policy. In the wake of Li's visit to the United States, they took one unfriendly act after another against China, such as plotting "Taiwan's entry into the United Nations," calling on the State Department to "send a special envoy to Tibet," and deliberating the establishment of a "Radio Free Asia." This playing with fire cannot but make the Chinese people and people of Chinese origin residing abroad maintain high vigilance.

Diplomatically, American conservative politicians have the following two features: First, they are wildly arrogant and ignorant, and, secondly, they are forgetful and brazen. They are wildly arrogant because they think that the United States is No. 1 in the world and that everyone should take orders from it. But they have little understanding of the pluralistic world beyond the United States, holding that the United States is everything, that everyone should take orders from the United States, and that any culture or society different from that in the United States is heresy. They are forgetful because they forget or pretend not to know that, after World War II, the United States launched two wars in Asia aimed at "containing" China [liang ci zai ya zhou fa dong yi e zhi zhong guo wei mu biao de zhan zheng 0357 2945 0961 0068 3166 4099 0520 0110 6666 0455 0022 0948 3634 4153 2871 4104 2069 3630], but on both occasions it lost in an inglorious manner. Some American politicians seem to have forgotten that American soldiers lay dead by the thousands and tens of thousands in other countries without any significance. The Vietnam war even touched off an extensive anti-war and pro-civil-rights movement in U.S. society. They openly attack China, regarding as enemies the 1.2 billion Chinese people who are engaged in peaceful construction and are friendly to the American people and ignoring the popular will in China. Such being the case, it can be affirmed that the United States will pay a heavy price if it does not mend its ways [mei guo bu gai xian geng zhang bi ran yao fu chu chen zhong dai jia 5019 0948 0008 2395 1720 2577 1728 1801 3544 6008 0102 0427 3089 6850 0108 0116].



**Li 'Marionette' in U.S. Policy***HK1306144895 Beijing RENMIN RIBAO in Chinese  
11 Jun 95 p 2*

[Article by Hua Ji (5478 4764) from the "International Forum" column: "A Marionette in U.S. Double-Faced Policy"]

[FBIS Translated Text] The formulation of U.S. foreign policy is based on two fundamental ideological underpinnings: Cold War thinking and the sole dominance of the United States. On this basis, a "Report on Adjustments in East Asian Strategy" compiled by the U.S. National Security Council, the State Department, and the Senate and House Foreign Affairs Committees made the absurd conclusion that "in 10 years, (China) will be a threat to U.S. security."

According to this line of thinking, the United States arrived at a typical double-faced policy. On the one hand, it works to secure "active ties" with China to open up a market there and to influence the country's future direction. On the other hand, it pursues "multilateral containment," which has been translated specifically into actions such as planting chess pieces around China to muddy the waters in China's domestic politics. Li Denghui's [Li Teng-Hui] so-called "private visit" was probably one of the pieces on the U.S. strategic chessboard, one which the United States had planned to deploy in any case.

Having read the U.S. intentions, Li Denghui made numerous attempts in recent years to fly into the United States. Last year, he managed to have his plane land and stay overnight in Hawaii, although he had to content himself with spending the night on board in the cabin, having been refused entry into the country. With great self-control, he continued his effort this year, spending huge sums of money and getting up to little tricks to infiltrate himself into the U.S. political process to lobby the United States to play the Li Denghui piece. His excitement was written all over his face when his petty wish was fulfilled in May this year.

On a serious note, in going to the United States, Li Denghui disregarded the just national cause, staked the entire future of the cross-strait people's relations on his personal political fortune, and willingly played the role of a stick which foreigners use to stir up troubled waters in China. On a personal note, it is pathetic to see a trip undertaken without a formal retinue and a recognized national flag, under a self-deceptive excuse. Li Denghui showed a lack of judgment in abandoning the honorable road of actively promoting cross-strait relations, and a lack of wisdom in highlighting his "international space" in a visit procured through petty tricks and made with an

awkward identity. How can he last long when he lacks both judgment and wisdom, even allowing for this small success?

Content to play the role of a marionette and a pawn, Li Denghui found himself subject to other people's decisions and restrained as soon he stepped out of line, and, moreover, was forced to stomach all this humbly and in silence. Only the person himself can tell the distress and bitterness he experienced.

He who has slighted himself will be slighted. In ancient China, there was once Shi Jingtang who addressed himself as a "vassal king" in a submission in order to keep his ceded territory, and has gone down in history as a disgrace. In contrast, in contemporary China, there was General Chang Hsueh-liang, who changed sides and staged a coup in Xian solely for the great national cause, and, notwithstanding a life of hardship, thus wrote a fine chapter in Chinese history. Li Denghui should opt to follow the good path before he strays further from it.

The Chinese people, standing tall now after more than a hundred years of woe and sorrow, will not equivocate even slightly in defending national pride and territorial integrity. No pressure, flagrant obstructions, or small tricks from any quarter can stop the Chinese people from putting their own house in order and taking the path of prosperity and strength. A word of advice [quan gao yi xia 0538 0707 0001 0007] to some U.S. political leaders: Do not get stuck in outmoded thinking, and do not say, as McNamara, former secretary of state, did in his memoir 20 years after the event, that you have made a mistake which you belatedly have come to regret because you did not understand the history and culture of another country.

**U.S. Chinese Oppose Visit***HK1406062395 Beijing RENMIN RIBAO in Chinese  
10 Jun 95 p 3*

[Report: "Overseas Chinese Organizations in the United States Publish an Open Letter To Oppose Li Denghui's Visit, Stressing That Those who Practice Splittism Will Become Eternal Criminals"]

[FBIS Translated Text] News from Los Angeles — The U.S.-China Cultural Exchange Association and the U.S.-China Applied Technology and Commercial Affairs Association jointly published an open letter in some Chinese newspapers in the United States recently, in which they strongly opposed Li Denghui's [Li Teng-hui's] U.S. visit.

They said in the letter, "Li Denghui is guilty. Since he assumed power, he has schemed for Taiwan's

independence, completely betraying Dr. Sun Yat-sen's principles of revolution."

The open letter noted, "Having studied in the United States, you must know very well the cause of the U.S. Civil War — in 1861, the South launched a civil war for independence. President Abraham Lincoln ordered a crackdown on rebellion against the state, continued the war until the South surrendered in 1865, and thus safeguarded the unification of the American territory. This is the only civil war in over 200 years of the American history, showing that even the United States, which is such a free and democratic country, does not allow its territory to be split either."

The letter continued, "Going so far as to disregard the interests of 20 million Taiwanese people, and the wishes for reunification of 1.2 billion Chinese people, you do not hesitate to spend tens of millions of dollars in order to create 'one China, one Taiwan,' and to split China. You have undermined the positive interaction established for years between the two sides of the Taiwan Strait! Where is your loyalty, filial piety, moral integrity, and righteousness?!"

The letter also pointed out, "Fingers that are wide apart break easily! However, a nation will be strong and cannot break up if it is unified. Mr. Li, today, you stand at a very specific, historic, and decisive crossroads. If you split China and engage in Taiwan independence, you will become an eternal criminal in Chinese history. If you lose the integrity and righteousness of the Chinese nation, do you still have your dignity?!"

#### **'Anti-China Forces' Viewed**

HK1406050495 Hong Kong WEN WEI PO in Chinese  
10 Jun 95 p A3

["Special article" by WEN WEI PO New York-based special correspondent Kuan Wen-liang (7070 2429 0081): "U.S. Anti-China Moves To Come One After Another — Congress Adopts Bill Supporting Taiwan's Entry Into the United Nations"]

[FBIS Translated Text] New York, 9 Jun — **United States Goes So Far As To "Support Taiwan's Entry Into the United Nations"**

In the early hours of 7 June (U.S. east coast time), the U.S. Senate Foreign Relations Committee adopted an amendment supporting Taiwan's entry into the United Nations and the World Trade Organization (WTO).

These two amendments are attached to the "Foreign Aid Bill" that is being reviewed by the Senate Foreign Relations Committee. These two provisions "express the wish of Congress" and have no binding effect. Earlier, both the Senate Foreign Relations Committee and the

House of Representatives' Foreign Affairs Committee also passed motions on "allowing Li Teng-hui to visit the United States," which then were adopted by the Senate and the House of Representatives, respectively. "Feeling themselves" under pressure, the White House and the State Department finally allowed Li Teng-hui to visit the United States.

#### **United States Makes an Issue of WTO**

The amendment on "allowing Taiwan's entry into the United Nations," adopted on 7 June, was put forward by Senators Hank Brown and Paul Simon, and was adopted by a voice vote in the Foreign Relations Committee. The revised provision reads: "The U.S. Government should immediately urge the United Nations to consider Taiwan's unique situation in the international community, and adopt a comprehensive resolution of Taiwan's entry into the United Nations and its related organizations." Opposed by the Democratic senators, the provision that "Taiwan should enjoy the rights to fully participate in the United Nations and its related organizations, including seats" was left out. As for the House of Representatives, a similar motion has been proposed in order to urge the U.S. Government to support Taiwan's entry into the United Nations.

Furthermore, the House Foreign Affairs Committee voted 16-0 to pass an amendment supporting Taiwan's entry into the WTO. The contents are: 1) The United States should differentiate Taiwan's application to join the GATT and WTO from China's, and should handle them separately. 2) The United States should support Taiwan's joining the GATT and the WTO as soon as possible. 3) Provided the United States has reached a substantive bilateral agreement with China on commercial affairs, and China has made a notable improvement in its economic system which conforms to the principles of the GATT and the WTO, the United States then should support China's entry into these organizations. 4) China's application should be examined and approved in accordance with the stipulations, instructions, principles, conventions, and practice laid down in the GATT.

In addition, the House of Representatives adopted a foreign aid bill on Thursday which includes a provision that would make it easier for Chinese nationals to seek asylum. The amendment would change the current policy, and allow Chinese nationals to seek political asylum in the United States on the grounds of forced sterilization or abortion. The bill must be adopted by the Senate, but not vetoed by President Bill Clinton, before formally becoming law. However, the outcome of the House voting shocked various parties. The contents of the bill just adopted by the House include calls for the appointment of an ambassador to Tibet, which



is a part of Chinese territory, and for ending U.S. Government's power to refuse high-ranking Taiwanese officials' visiting the United States.

#### **Rampant Activities of Pro-Taiwan Forces**

Washington analysts are of the view that this is another example of the U.S. anti-China forces' practicing "two Chinas," or "one China, one Taiwan." The Clinton administration indicated on several occasions in the past that it "does not support" Taiwan's entry into the United Nations. The anti-China forces, however, have been actively promoting this bill for two years. In addition to pushing the bill through in Congress, they also have attempted to push it through in legislative assemblies in many states. If Congress and public opinion in various states call on the United States to support Taiwan's entry into the United Nations, the U.S. Government will do so as well, considering the timing of the option. The White House can use a similar reason: Powerful pressure is coming from Congress and the people.

UN observers pointed out long ago that the United States has yet to support Taiwan's entry into the United Nations, largely because there is no nation that carries weight chiming in with the Taiwanese government. If a weighty country takes the lead in supporting Taiwan, Washington also will consider it. Chinese-American scholars also said that relations between the U.S. Government and the anti-China forces are delicate and intimate, with the anti-China forces building up the momentum and the White House making the decision. It has always been like this.

#### **James Lilley Is the Adviser Behind the Scenes**

After his arrival in the United States, Li Teng-hui met in Los Angeles yesterday with James Lilley (former senior Central Intelligence Agency official and ambassador to China), a prominent anti-China figure in the United States. They are said to "have a casual talk." When President George Bush announced a plan to sell 150 F-16 fighters to Taiwan, James Lilley said "this was only the tip of the iceberg." It implies that the development of U.S.-Taiwan ties will continue. Sources from Washington disclosed that James Lilley is one of the "important brain trusters" of the anti-China forces.

In Washington, there is an organization known as the "Institute for Taiwan Research," a brain trust organization for collusion between U.S. and Taiwanese forces. It is understood that the organization held a seminar a few days ago at which experts believed that Beijing would not damage trade relations with the United States. Okun [ou kan 2962 0974], international adviser of pro-Taiwan Senator Frank Murkowski (Republican, Alaska), pointed out that Beijing will take "follow-up action" re-

garding Li Teng-hui's U.S. visit. Ms. Hung Yin [hong yin 3163 0936], executive director of the organization "Third World Affairs," said that "the United States does not need Beijing to tell it who can or cannot visit the United States." Some people at the meeting flagrantly advocated practicing "two Chinas." Levin Burton, executive director of the "Institute for Asia-Pacific Policy" pointed out that "further development of U.S.-Taiwan relations does not mean the United States is further away from China."

#### **Central Eurasia**

##### **Vice Premier Li Lanqing Arrives in Moscow**

###### **Begins Official Visit**

*OW1206232795 Beijing XINHUA in English  
1912 GMT 12 Jun 95*

[FBIS Transcribed Text] Moscow, June 12 (XINHUA) — Chinese Vice-Premier Li Lanqing arrived here this evening for a two-day official visit to Russia to promote cooperation between the two countries in the fields of trade, economy and science-technology.

In Moscow, Li is expected to hold talks with his Russian counterpart Oleg Davidov on Tuesday [13 June].

The two vice-premiers, also co-chairmen of the mixed Chinese-Russian Commission for Trade-Economic and Scientific-Technological Cooperation, will also attend a session of the commission.

###### **Meets Russian Counterpart**

*OW1406003195 Beijing XINHUA in English  
2336 GMT 13 Jun 95*

[FBIS Transcribed Text] Moscow, June 13 (XINHUA) — Chinese Vice-Premier Li Lanqing said here today that he hopes for further development of good trade-economic relations with Russia, noting that there is a big possibility in this sphere.

Li Lanqing, also Minister for Foreign Economic Relations and co-chairman of the mixed Chinese-Russian Commission for Trade-Economic and Scientific-Technological Cooperation, arrived in Moscow on Monday evening.

In Moscow, he held talks with his Russian counterpart Oleg Davydov this morning and signed a summary of the third session of the mixed commission held later.

Speaking at the signing ceremony, the Chinese Vice-Premier noted the intergovernmental commission had successfully finished its work during the current session.

In his opinion, both China and Russia will face the challenge and opportunity of the 21st century. He stressed the need for the two countries to enforce their economic cooperation and promote their traditional friendship.

Davydov, also co-chairman of the mixed commission, expressed his satisfaction with the results of his talks with Li Lanqing.

According to well-informed sources, Li Lanqing came here also to make preparations for the upcoming visit of Chinese Premier Li Peng to Russia. Li Lanqing is to leave Moscow late on Wednesday.

#### **Xinjiang Leader Meets Kyrgyz Delegation**

OW1406103595 Urumqi XINJIANG RIBAO  
in Chinese 30 May 95 p 1

[By reporter Zhu Tong (2612 1749): "Aisihaiti Kelimubai Meets Members of the Chinese and Kyrgyz Delegations"]

[FBIS Translated Text] Autonomous Regional Vice Chairman Aisihaiti Kelimubai met with members of a Chinese Government delegation and a delegation from the Republic of Kyrgyzstan at the Hall of People on the evening of 29 May. The Chinese and Kyrgyz Government delegations were holding working-level talks in Urumqi.

The Chinese and Kyrgyz Government delegations have exchanged views in Urumqi on the "opening up of border posts and their management system" and other issues.

At the meeting, Aisihaiti briefed the visitors about the development of trade and economic relations between China's Xinjiang and the Republic of Kyrgyzstan. He pledged Xinjiang's vigorous support for the opening of border posts between China and the Republic of Kyrgyzstan in accordance with the Chinese Government's plan.

### **Northeast Asia**

#### **Industrial Cooperation Meeting With ROK Opens**

##### **Bilateral Projects Discussed**

OW1406081295 Beijing XINHUA in English  
0749 GMT 14 Jun 95

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — China and the Republic of Korea (ROK) opened a two-day meeting here this morning to discuss bilateral industrial co-operation.

Chinese Minister in charge of the State Economic and Trade Commission Wang Zhongyu and ROK Interna-

tional Trade and Industry Minister PAK Chae-yun co-chaired this second meeting of the China-ROK Committee on Industrial Co-operation.

The two ministers delivered speeches at the opening of the meeting on their respective domestic economic situation and major economic policies.

Participants will hear work reports from the four industrial co-operation groups, including civil aviation, motor parts, high-definition TV sets, and program-controlled exchanges.

They are also to discuss strengthening bilateral co-operation in these fields, as well as possibility for co-operation in other fields.

On June 6 last year, representatives of the two governments signed in Beijing an agreement on establishing the China-ROK Committee on Industrial Co-operation and the Memorandum of Understanding on Strengthening Technological Co-operation in Civil Aviation.

Then, on June 15, Wang led a delegation to the ROK to attend the first meeting of the committee in Seoul. At the meeting, the four industrial co-operation groups were set up, marking the opening of bilateral co-operation in the four fields.

It has been reported that by now, the four groups have had some achievements in their activities.

#### **Li Peng, Delegation View Ties**

OW1406110495 Beijing XINHUA in English  
1011 GMT 14 Jun 95

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — Chinese Premier Li Peng met with Pak Chae-yun, Minister of International Trade and Industry of the Republic of Korea (ROK), and his party at the Great Hall of the People here this afternoon.

Pak and his party are here to attend the second meeting of the China-ROK Committee on Industrial Co-operation, which opened here this morning to discuss bilateral industrial co-operation.

Last June, representatives of the two governments signed in Beijing an agreement on establishing the China-ROK Committee on Industrial Co-operation and a memorandum of understanding on strengthening technological co-operation in civil aviation, which set in motion cooperation in areas ranging from civil aviation and motor parts to high-definition TV sets, and program-controlled exchanges.

Li affirmed this co-operation as well as the achievements over the past year.

He also expressed the hope that cooperation fields would be chosen in the light of the industrial policies and the needs of the two countries. "Once decided, they should be implemented to the letter," he stressed.

Pak conveyed to Li greetings from ROK President Kim Yong-sam and Prime Minister Yi Hong-ku.

To this, Li expressed thanks, and recalled his meeting with Kim in Copenhagen and Yi's "successful" trip to China.

He also asked Pak to convey to Kim greetings from Chinese President Jiang Zemin and to Yi his best regards.

During the meeting, the Chinese premier also briefed the visitors on China's economic reforms.

Wang Zhongyu, minister in charge of the State Economic and Trade Commission, and other Chinese officials took part in the meeting.

### **Southeast Asia & Pacific**

#### **Ambassador, Burmese Justice Celebrate Ties**

*OW1306172795 Beijing XINHUA Domestic Service in Chinese 0618 GMT 7 Jun 95*

[By reporter Zhang Yunfei (1728 0061 7378)]

[FBIS Translated Text] Rangoon, 7 Jun (XINHUA) — U Aung Toe, chief justice of Burma's Supreme Court, emphasized here on 6 June that Burma would make unremitting efforts to constantly consolidate the growing Burmese-Chinese kinship friendship.

U Aung Toe made the aforementioned remark at a reception held in the Chinese Embassy in Burma to mark the 45th anniversary of Sino-Burmese diplomatic relations.

U Aung Toe said, "Our countries, along with India, initiated the five principles of peaceful coexistence in 1954. Although 40 years have elapsed, these principles still display vitality as the basic norms that should be observed in international relations."

U Aung Toe said, "Thanks to the great foresight of their leaders, our two countries have successfully resolved the problem of border demarcation in the spirit of friendship, understanding, and sincerity. Today, the border between our two countries is one of peace, friendship, and mutual benefit."

U Aung Toe expressed satisfaction with the constant consolidation and development of friendly relations between Burma and China over the years, noting that Premier Li Peng's visit to Burma last December added a new chapter to the annals of history of the two countries' relations.

In her speech, Ambassador Chen Baoli [7115 1405 9497] said, "Both China and Burma are developing countries faced with the common task of economic development. Our common wish is to seek new ways and methods for actively developing the two countries' economic, trade, and scientific and technological cooperation on the basis of equality and mutual benefit."

She pointed out: Developing the friendship between China and Burma not only serves the two peoples' fundamental interests but also contributes to the region's peace and stability. She noted: As always, the Chinese Government will make unremitting efforts to consolidate and develop Sino-Burmese relations.

#### **Cambodian Foreign Minister Arrives in Shanghai**

*OW1406113695 Beijing XINHUA in English 0852 GMT 14 Jun 95*

[FBIS Transcribed Text] Shanghai, June 14 (XINHUA) — Ing Huot, minister of Foreign Affairs and International Cooperation of Cambodia, arrived here from Hong Kong today, starting his four-day official visit to China as guest of Chinese Vice-Premier and Foreign Minister Qian Qichen.

Later, Sha Lin, vice-mayor of the Shanghai Municipality, met with Ing Huot and his party.

#### **Leader Visits Families of Detained Filipinos**

*OW1306161395 Beijing XINHUA in English 1553 GMT 13 Jun 95*

[FBIS Transcribed Text] Haikou, June 13 (XINHUA) — Deputy Governor of Hainan Province Mao Zhijun today visited the relatives of the local fishermen who have been detained by the Philippine authorities.

Mao, along with officials from relevant departments and Qionghai City, expressed sympathy for and sent some daily necessities to the relatives of the 62 detained fishermen.

On March 25 this year the 62 fishermen on four fishing boats from Qionghai, were illegally detained by the Philippine military forces when they were fishing in the Nansha [Spratly] Islands.

Immediately after the incident the Chinese side made serious presentations to the Philippine side and demanded that the fishermen be released forthwith. The Chinese side also reiterated China's stand on its indisputable sovereignty over the Nansha Islands, according to which Chinese fishing activities in that area are legal.

At the home of Wang Kaifu, who was detained along with five other members of his family, Mao said that representatives sent by the Chinese Embassy in



the Philippines had visited the fishermen in prison several times and sent them food, medicine and other necessities.

According to Mao, the Philippine side has released 10 teenager fishermen, and they are now being taken care of by a Chinese business company in the Philippines.

**Zou Jiahua Meets Australian Minister Evans**  
*OW1306130195 Beijing XINHUA in English*  
1252 GMT 13 Jun 95

[FBIS Transcribed Text] Sydney, June 13 (XINHUA) — Visiting Chinese Vice-Premier Zou Jiahua arrived here this evening after ending his visit to Western Australia today.

In Perth, Zou attended a working breakfast hosted by Australian Foreign Minister Gareth Evans this morning and the two discussed issues of bilateral relations and regional cooperation as well.

Evans told Zou that it has been more than 10 years since China pursued policies of economic reforms and opening to the outside world and Australia has spoken highly of the achievements China has scored during the period.

He said that this policy has brought great benefits not only to China, but also to other nations of the world.

Evans, expressing his hope that China would continue its reform policy, said that Australia is looking forward to further developing its friendly relations, economic cooperation ties in particular, with China.

Talking about regional issues, Evans said that Australia is willing to work with China in enhancing cooperation on regional issues especially on the Asia-Pacific Economic Cooperation or APEC.

Zou said that during his visit, he was deeply impressed by Australia's rich national resources and good transportation facilities, which have offered conditions for further increasing economic and trade cooperation between the two countries.

He said that China is willing to explore new cooperative areas and ways with Australia.

During the meeting, Evans expressed again Australia's support for China joining, as soon as possible, in the World Trade Organization, and for which Zou expressed his appreciation.

Then, Zou visited the Bulk Handling Grain Terminal in Kwainana and Austral Ships Pty Ltd in Western Australia before flying to Sydney.

## Near East & South Asia

### NPC Delegation Meets Kuwaiti Leaders

*OW1306155595 Beijing XINHUA Domestic Service*  
in Chinese 0726 GMT 7 Jun 95

[By reporter Ma Xiaolin (7456 2556 7207)]

[FBIS Translated Text] Kuwait, 6 Jun (XINHUA) — Kuwait heir apparent and Prime Minister Shaykh Sa'd al-'Abdallah al-Salim al-Sabah, and Shaykh Sabah al-Ahmad al-Jabir al-Sabah, first deputy prime minister and concurrently minister of foreign affairs, met separately with a delegation from China's National People's Congress [NPC], led by its vice chairman, Wu Jieping.

At the meetings, the Kuwaiti leaders said: The Kuwaiti people cherish their great friendship with the Chinese people; Kuwait thanks China for its steadfast, all-round, unequivocal support for Kuwait's cause. The Kuwaiti leaders pointed out: The continuous exchanges of visits between the leaders of China and Kuwait over a long time have promoted the expansion of friendly and cooperative relations between the two countries; and contacts between the Chinese and Kuwaiti parliaments have helped deepen bilateral cooperation.

The Kuwaiti leaders reiterated their determination to implement comprehensively the UN Security Council's relevant resolutions on the Gulf crisis.

Shaykh Sa'd al-Sabah was pleased with his meetings with President Jiang Zemin and Chairman Qiao Shi and his talks with Premier Li Peng during his visit to China last April, as well as with the whole outcome of the visit; he thanked China for the warm hospitality accorded him during the visit.

Wu Jieping relayed greetings from President Jiang Zemin, Premier Li Peng, Chairman Qiao Shi, and Qian Qichen, vice premier and concurrently minister of foreign affairs, to the Kuwaiti leaders; and praised the Kuwaiti Government and people for their heroic struggle in safeguarding national independence and national sovereignty. He also spoke highly of Kuwait's speedy reconstruction of its homeland and economic rehabilitation.

Wu Jieping said: China favors the proper settlement of problems left over from the Gulf crisis on the basis of the comprehensive and truthful implementation of the Security Council's relevant resolutions and through peaceful negotiations.

He pointed out: Since the establishment of Sino-Kuwaiti diplomatic relations, the two countries have constantly developed friendly cooperation in various fields, and

have constantly enhanced such cooperation. He expressed the belief that through the joint effort, the bilateral friendship and cooperation will develop further.

Vice Chairman Wu Jieping and his entourage arrived in Kuwait for a three-day visit after concluding a goodwill visit to Mauritania on 5 June.

#### **NPC Official Meets With Mauritanian Premier**

*OW1106091095 Beijing XINHUA Domestic Service in Chinese 1304 GMT 4 Jun 95*

[FBIS Translated Text] Beijing, 4 Jun (XINHUA) — According to dispatches from Nouakchott, Mauritanian Prime Minister Boubaker met Wu Jieping, vice chairman of the PRC National People's Congress [NPC] Standing Committee, on 2 June and held cordial and friendly conversations.

Wu Jieping conveyed Premier Li Peng's cordial greetings to the Mauritanian Prime Minister. He also praised and thanked Mauritania for sticking to its one-China stand and consistently supporting China on human rights and GATT membership issues.

Boubaker said: China's economy has been developing rapidly; this is because it has secured a development format suitable to its state and social conditions, thus guaranteeing economic development with political stability. China has set an example for developing countries in this respect.

After the meeting, both sides signed an exchange of notes, under which the Chinese NPC Standing Committee will present as gifts office equipment worth renminbi 500,000 yuan to the Mauritanian Parliament.

#### **PLA General Fu Meets Bangladesh Army Chief**

*OW0906141095 Beijing XINHUA in English 1323 GMT 9 Jun 95*

[FBIS Transcribed Text] Beijing, June 9 (XINHUA) — General Fu Quanyou, member of the Central Military Commission, met with Lieutenant General Abu Saleh Mohammed Nasim, chief of the Army Staff of Bangladesh, and his party here today.

After the meeting, Fu, also director of the General Logistics Department of the Chinese People's Liberation Army (PLA), gave a dinner in honor of the visitors.

Besides Beijing, Nasim and his party will also tour Shanghai and Hangzhou.

### **Sub-Saharan Africa**

#### **Cultural Delegation Visits Mozambique**

*OW1406010295 Beijing XINHUA in English 2340 GMT 13 Jun 95*

[FBIS Transcribed Text] Maputo, June 13 (XINHUA) — A Chinese cultural delegation headed by Chen Changben, Vice-Minister in the Ministry of Culture, arrived in Maputo today to begin a three-day official visit to Mozambique.

Mozambican Deputy Minister for Culture, Youth and Sport Salomao Manhisa and Chinese ambassador to Mozambique Mi Shiheng went to the airport to welcome the Chinese delegation.

Manhisa expressed his warm welcome to Chinese Vice-Minister Chen Changben who came on the eve of the 20th anniversary of the establishment of diplomatic relations between China and Mozambique. He hoped that Chen Changben's visit will promote the cultural exchange between the two countries.

In his reply, Chen Changben said that he will hold discussions with the Mozambican leaders on ways to further develop cultural cooperation and exchange between the two countries.

Mozambique is the second leg of the Chinese delegation's African tour which has brought it to Mauritius and will also take it to Seychelles and Madagascar after ending its visit here.

#### **CPC Delegation Meets Namibian President**

*OW1406005895 Beijing XINHUA in English 2341 GMT 13 Jun 95*

[FBIS Transcribed Text] Johannesburg, June 13 (XINHUA) — Namibian President Sam Nujoma said yesterday in Windhoek that his government and the ruling South West African People's Organisation (SWAPO) will further develop ties with China.

Nujoma, who is also SWAPO President, made the remarks when he met Huan Guoying, Deputy Minister of the Foreign Liaison Department of the Central Committee of the Communist Party of China (CPC), and her delegation, according to reports reaching here from Windhoek.

Nujoma said Namibian people and SWAPO have been receiving firm support and assistance from the Chinese government and the CPC for many years.

He expressed his hope to maintain and further develop the existing good relations and friendship with China.



Namibian Foreign Minister and Member of the Political Bureau of the Central Committee of SWAPO Theo-Ben Gurirab also received Huan and her delegation yesterday in Windhoek.

Huan and her delegation arrived in Namibia on June 11 for a four-day visit at the invitation of SWAPO.

#### **Li Peng Meets With Tanzanian Foreign Minister**

OW0906153495 Beijing XINHUA in English  
1448 GMT 9 Jun 95

[FBIS Transcribed Text] Beijing, June 9 (XINHUA) — Chinese Premier Li Peng met with visiting Tanzanian Minister of Foreign Affairs and International Cooperation Joseph Rwegasira at the State Guesthouse here this afternoon.

Li said that China is willing to pursue friendly ties with Tanzania and explore new ways of cooperation between the two countries on the basis of the Five Principles of Peaceful Co-existence.

He expressed his satisfaction with the smooth development of the countries' relations since they forged diplomatic ties more than 30 years ago, adding that the ties have stood the test of time and changes in the international situation. The two countries share similar views on many international issues and have supported each other for a long period of time, Li noted.

Rwegasira said that his country and China enjoy a tradition of friendly ties, established both by earlier and current leaders of the two countries. The two nations hold the same position and point of view on almost all international issues, and Tanzania thanks China for its support and aid in various fields, especially in the economy, the foreign minister added.

Li Peng said that China and the African countries are all developing nations. China supports the African countries' efforts to improve their economies and exploring ways to develop suitable to their respective countries.

"We believe that the way to develop and the social system of a country should be decided by its people", Li continued, adding that the African countries, influenced by an unjust international order, still face many difficulties. China is willing to strive for a just and fair international political and economic order, together with the African countries, the premier said.

Rwegasira held that China has consistently supported just causes of the developing countries in Africa and the rest of the world, and said that China's stance is "encouraging" to African countries.

#### **Latin America & Caribbean**

##### **Li Ruihuan Continues Cuban Visit**

##### **Discusses Issues With Castro**

OW1406015495 Beijing XINHUA Domestic Service  
in Chinese 1228 GMT 13 Jun 95

[FBIS Translated Text] Havana, 12 Jun (XINHUA) — Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC] met with Cuban Council of State President Fidel Castro in Havana this evening. The two exchanged views on issues of common concern in a cordial and friendly atmosphere.

Li Ruihuan thanked Cuban leaders for their invitation and lavish hospitality, and conveyed President Jiang Zemin's cordial regards to President Castro. He said: The Cuban people, working under extreme hardship for a long time, have withstood external pressure and constantly explored methods for development suitable to their national conditions. They are admirable. Both China and Cuba suffered foreign aggression and intervention and waged long, hard struggles for national liberation. They treasure more than everything else the national independence and sovereignty which were paid for in blood and lives. Any state leader who holds himself responsible to the history, to the state, to his people, to his ancestors and descendants will have to put the defense of the national independence and state sovereignty as his first priority. For the same reason, any nation which wishes to get along well with other countries, wishes to acquire a better understanding by the others, and wishes to really win the respect of the international community, must respect the other's independence and sovereignty in undertaking its diplomacy. Anyone who violates this principle is a hypocrite, no matter what banner he displays or what beautiful language he uses; and he will eventually fail. Countries face different situations, and the people of each country have the right to choose independently their own social system and development path. In respecting other countries' independence and sovereignty, it is most important to respect such a right of their people. China always advocates that all countries, big or small, strong or weak, rich or poor, are equal members of the international community; they should treat each other equally; and a world in which the big bully the small, the strong dominate the weak, and the rich oppress the poor is not to be tolerated. This is what most countries desire, as well as the inevitable trend of historical development. Only in this way can we talk about establishing a new, just, and rational international order and promoting world peace.

Castro expressed his complete approval of Li Ruihuan's views. He said that every nation has a right to choose its social system and development path, and without the respect for others' independence and sovereignty, there will be no tranquility in the world. Any attempt to impose a certain formula on the people of other countries will fail. In international affairs, Cuba and China share a broad consensus. Cuba attaches importance to its relations with China.

Castro expressed his hope that the Fourth World Women's Congress to be held in Beijing in September this year will be a success. He joyfully recalled President Jiang Zemin's 1993 visit to Cuba, and expressed the hope that high-level exchanges would increase to promote bilateral exchange and cooperation in all fields.

#### Meets With Foreign Minister

OW1406045395 Beijing XINHUA in English  
0429 GMT 14 Jun 95

[FBIS Transcribed Text] Havana, June 13 (XINHUA) — Chairman Li Ruihuan of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) met separately today Cuban Foreign Minister Roberto Robaina Gonzalez and Vice-President of the Council of State Carlos Lage Davila, exploring new ways for further cooperation.

During the meeting with Lage, the CPPCC chairman said that as there are great potentials for economic cooperation between China and Cuba, the two countries should make joint efforts to explore new ways and means for further cooperation.

Lage said Cuba treasures its friendly relations with China and attaches importance to the development of such relations.

During his meeting with Robaina in the morning, Li said Cuba supported China when some forces in the world adopted an unjust attitude toward China.

He expressed the hope that under the leadership of President Fidel Castro Ruz, the Cuban people would overcome difficulties, find out a path which is conducive to the nation's development, and achieve economic prosperity.

Robaina said Li's current visit will give an impetus to the expansion of bilateral cooperation.

Li arrived here Monday for an official visit and is expected to leave Cuba Thursday to continue his four-nation Latin America tour, which will also take him to Jamaica, Brazil and Chile.

#### Hails Ties

OW1406112595 Beijing XINHUA Domestic Service  
in Chinese 0819 GMT 14 Jun 95

[By reporters Chen Hegao (7115 7729 7559) and Hou Yaoqi (0186 5069 0366)]

[FBIS Translated Text] Havana, 13 Jun (XINHUA) — During a meeting with Cuban Foreign Minister Roberto Robaina Gonzalez here on the morning of 13 June, Li Ruihuan, Chinese People's Political Consultative Conference [CPPCC] National Committee chairman, said: Sino-Cuban relations are very good. An important reason is that the two countries maintain a broad consensus [guang fan di yi zhi 1639 3131 4104 0001 5268] on many major international issues.

Li Ruihuan said: Cuba lent great support to China when some forces in the international community adopted an unjust attitude toward the latter. China will never forget this.

He said: The Chinese people greatly admire the indomitable struggle waged by the Cuban people to defend national independence and sovereignty. It is believed that the industrious and intelligent Cuban people will find a development path compatible with their national conditions, overcome difficulties, and move toward prosperity under President Castro's leadership.

Robaina warmly welcomed Li Ruihuan's visit to Cuba, calling it an important step forward in developing Cuban-Chinese relations. He noted: The Cuban Foreign Ministry will continue to work for the development of relations with China, and maintain and strengthen its links with the CPPCC National Committee.

Li Ruihuan said: The CPPCC National Committee is willing to establish ties and forge contacts with the Cuban Foreign Ministry and, through the ministry, with other organizations in Cuba.

Today, Li Ruihuan and his entourage also visited the Cuba Genetic Engineering and Biotechnology Center.

### Political & Social

#### Articles Attacking Deng To Emerge Upon His Death

HK1406092695 Hong Kong SOUTH CHINA  
MORNING POST in English 14 Jun 95 p 11

[By staff reporter]

[FBIS Transcribed Text] President Jiang Zemin has called on party members to learn from the late conservative patriarch Chen Yun in the fight against "bourgeois-liberalisation".

Mr Jiang and the top leadership yesterday attended a nationally televised function to mark the publication of the selected works of Chen as well as a pictorial biography of the former economic tsar.

In a hardline speech, the President heaped praise on Chen's contribution to orthodox Marxism, as well as the way he had synthesised Marxism with "the actual conditions of China".

Chen, with the late president Li Xiannian, endorsed Mr Jiang's promotion in June 1989 as General Secretary.

In his eulogy, the party chief dwelled on the veteran's contribution to both "material and spiritual civilisations".

"We must learn from Chen Yun's thoughts to establish a resolute faith in socialism and communism," Xinhua (the New China News Agency) last night quoted Mr Jiang as saying.

"We must resolutely sabotage and counter the infiltration of the decadent thoughts and styles of the capitalist class."

Mr Jiang credited Chen for having "taken the lead in maintaining the nature of the party as the vanguard of the proletariat".

He also highlighted the fact Chen was a "core member" of both the first- and the second-generation leadership of the Communist Party.

Analysts said the Propaganda Department would soon hold nationwide sessions for party members to study Chen's selected works, which run to more than 700,000 characters.

Apart from senior Politburo members such as Li Peng, Qiao Shi, Zhu Rongji and General Liu Huaqing, a number of leftists, or remnant Maoists, were present on the occasion.

Foremost among them was former propaganda chief Deng Liqun, a close associate of Chen.

Party sources in Beijing said Mr Deng had masterminded a series of articles attacking patriarch Deng Xiaoping, which would be released upon the latter's death.

They said the critique would include accusations that the Chief Architect of Reform had neglected "spiritual civilisation" and that his reforms had indirectly led to the infiltration of bourgeois-liberal thoughts.

Until recently, Mr Jiang has stayed away from the theoretical battles between the followers of Chen and patriarch Deng, who were long-standing foes.

#### XINHUA Reports on Chen Yun Symposium

OW1406081995 Beijing XINHUA Domestic Service  
in Chinese 0643 GMT 14 Jun 95

[By RENMIN RIBAO reporter Chen Weiwei (7115 4850 0251) and XINHUA reporter Chen Yan (7115 7159)]

[FBIS Translated Text] Beijing, 14 Jun (XINHUA) — A seminar on Chen Yun's life and ideology ended in Beijing today. The seminar participants said: Comrade Chen Yun's life was closely bound up with the history of the party and the country; his rich, profound ideas are an inexhaustible treasure-house; and his style epitomizes the fine traditions of our party and the Chinese nation, and deserves our vigorous promotion and emulation.

The seminar, which opened in Beijing on 12 June, was participated in by more than 100 experts and scholars from the theoretical circle and departments dealing with practical work all over the country. In light of Comrade Chen Yun's glorious life and his economic and party-building ideas and ideological methodology, the participants freely discussed and exchanged their views on what they had gained in their study. They maintained that promoting and stepping up the study on Chen Yun's life and ideology is conducive to summarizing historical experiences and inheriting and carrying forward the party's fine tradition; and is of great significance for further pushing forward reform and opening up, successfully carrying out the socialist modernization drive, and intensifying party building under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, and under the leadership of the party Central Committee with Comrade Jiang Zemin at the core.

During the seminar, all participants attended a forum, sponsored by the CPC Central Committee to mark the publication of the *Selected Works of Chen Yun* (Volumes 1-3) and the picture album *Chen Yun* as well as to commemorate his 90th birth anniversary; and listened to and earnestly discussed Comrade Jiang Zemin's



important speech at the forum. They unanimously agreed that the speech, which gives the highlights and an accurate evaluation of Comrade Chen Yun's contributions to the Chinese revolution and socialist construction, is of great importance for guiding the future study of Chen Yun's life and ideology.

The seminar, which was cosponsored by the CPC Central Committee's Party Literature Research Center's Chen Yun research group and the China Academy of Management Sciences, received about 500 theses. In addition, some veteran comrades who used to work under Comrade Chen Yun's supervision, contributed special theses. These theses discuss a wide range of topics and are rich in content and high in quality; and they basically cover all major aspects of Chen Yun's life and ideology, and reflect the latest achievements by the academic and theoretical circles in the study of Chen Yun's life and ideology.

Song Ping, Ni Zhifu, Chen Muhua, Li Desheng, Wu Xiuquan, Deng Liqun, Wang Heshou, Han Guang, Comrade Chen Yun's wife Yu Ruomu and other family members, veteran comrades who used to work under Comrade Chen Yun's supervision, and senior officials from the relevant departments, totaling more than 100, offered congratulations at the beginning of the seminar.

#### Jiang Zemin Addresses Forum

OW1306140695 Beijing XINHUA Domestic Service  
in Chinese 0842 GMT 13 Jun 95

[FBIS Translated Text] Beijing, 13 Jun (XINHUA) — Speech at a forum to mark the publication of the *Selected Works of Chen Yun* (Volumes 1 to 3) and the picture album "Chen Yun," as well as the 90th birth anniversary of Comrade Chen Yun

[dated] (13 June 1995)

[signed] Jiang Zemin

Comrades:

Today is Comrade Chen Yun's 90th birth anniversary. Volumes 1 to 3 of the newly published *Selected Works of Chen Yun* were put on nationwide sale today, and so was the picture album "Chen Yun." The CPC Central Committee is holding this forum to recall Comrade Chen Yun's glorious achievements and immortal demeanor, and to express our heartfelt love, esteem, and respect for him.

Comrade Chen Yun was a great proletarian revolutionary and statesman, an outstanding Marxist, one of the pioneers and founders of China's socialist economic construction, and a long-tested brilliant party and state leader. He worked for more than 70 years for the cause

of the Chinese people's liberation and socialist construction, and his remarkable feats are forever recorded in the annals of history. Pooling his ideas and viewpoints, the newly published three-volume *Selected Works of Chen Yun* is a theoretical summary of his ample experience in leadership work over a long time. It serves as a very important guide to us in advancing socialist material and spiritual civilization, and in strengthening party building. The picture album "Chen Yun" vividly reproduces his experience, work, and life. The simultaneous publication of the two books is an important event in the affairs of our party and country, and is the best way for us to remember Comrade Chen Yun.

What the demise of outstanding people who devoted their entire lives and remarkable abilities and wisdom to the making of modern China's great history leaves to history and the people is not just grief; the spirit of these people lives on forever. Comrade Chen Yun's outstanding achievements, writings, thinking, moral character, and style belong to our great party, country, and nation. He will forever be a model for us to emulate.

Comrade Chen Yun's entire life was one of a faithful and unyielding communist. He was boundlessly loyal to lofty communist ideals and the great undertakings of the party and people. He went through protracted trials in the struggle for national liberation, the people's revolution, underground and overt struggles, armed struggles, and peacetime construction during periods ranging from the new democratic revolution to socialist revolution and construction. Whether in leading work related to workers, peasants, and the masses, or party building, army work, and economic construction, he consistently demonstrated a communist's great foresight, down-to-earth manner, unyielding faith, and firm proletarian party spirit, no matter how arduous the struggles were and how complex the situation was, and whether in good times or in bad. Placing the party's interests above everything else at all times, Comrade Chen Yun took the overall situation into account, maintained his principles, safeguarded unity, observed discipline, and conducted himself in an open and aboveboard manner. Despite his remarkable contributions to the party and people, he always gave all the credit to them. He showed great concern for the training and selection of successors to the party's cause, and vigorously advanced this task, which had a bearing on the destiny of the party and state. Moreover, he made the strict demand that political soundness be ensured in accordance with the principle of stressing both ability and political integrity. Comrade Chen Yun's famous inferences — that "the issue concerning the ruling party's style is a matter of life and death for the party," and "there is no question of 'loosening controls' on the party-spirit principle and

party discipline" — should become mottoes for comrades throughout the party.

Comrade Chen Yun's foresight, sagacity, and outstanding leadership skills were born of his adherence to and proficiency in integrating the basic tenets of Marxism with China's concrete reality, and of practice and the masses. A striking feature of Comrade Chen Yun's work and leadership styles was that he proceeded from our country's conditions; respected practice and the masses; clearly and scientifically analyzed and judged the situation; carried out work on that basis in a creative, down-to-earth, and painstaking manner; and resolved firmly to work to the end until he achieved results. Throughout his life, he paid attention to investigations and study, and maintained that leading organs should devote more than 90 percent of their time to conducting investigations and study, working out several plans, repeatedly weighing the matter in question, and exercising prudence in policy making before discussing and deciding on major issues. Furthermore, he urged leading cadres to make as many close friends who dare to tell the truth as possible, and to carefully listen to differing views. On many occasions he recalled the study of philosophy under Comrade Mao Zedong's personal guidance during the Yanan period, maintaining that the promotion of philosophical studies among cadres, especially leading cadres, was of fundamental significance, and that only a thorough understanding of Marxist theory of knowledge and methodology would truly upgrade ideological standards and help avert major mistakes in work. The principle of "not simply following what superiors or books say but acting according to reality, and of exchanging, comparing, and repeating" — something that he summed up from his personal experience in practice — is a leadership principle and work method based on materialist dialectics. It is an important contribution to Marxist philosophy and the party's ideological line. In the person of Comrade Chen Yun we see an older-generation party leader's thorough understanding of Marxist theory and vital spirit of creativity; a CPC member's profound understanding and mastery of the law of China's social development; and the integration of the proletariat's revolutionary spirit of advancing courageously and scientific attitude of rigorously seeking the truth.

Comrade Chen Yun was a member both of the party's first-generation central leading collective with Comrade Mao Zedong as the core, and second-generation central leading collective with Comrade Deng Xiaoping as the core. His contributions to the party and people were tremendous and diverse. His meritorious services in pioneering and laying the foundation for China's socialist economic construction were particularly remarkable. After the founding of New China, he directed financial

and economic work for a long time, creatively implemented the directives of the party Central Committee and Comrade Mao Zedong, and proposed many correct guiding ideas, work principles, and major measures. Known to all are his contributions in the early years of New China to the pioneering tasks of unifying financial and economic work nationwide; rapidly stabilizing financial markets and commodity prices; resurrecting the national economy; providing people with a stable life; promoting a fundamental improvement in the financial and economic situation; implementing the planned procurement and supply of grain, cotton, and other major agricultural products; carrying out in a step-by-step manner the transformation of the private ownership of the means of production, especially the socialist transformation of capitalist industry and commerce; formulating and implementing the First Five-Year Plan; and laying the foundation for our country's industrialization. During the period of all-around socialist economic construction, he upheld the principle of seeking truth from facts, and opposed the erroneous tendency toward advancing recklessly and being impatient for success without regard for reality. He underscored the need to keep the scale of construction commensurate with national strength, to consider both people's livelihood and national construction, and to achieve an overall balance in revenue and expenditure, bank credit, materials supply and demand, and foreign exchange receipts and outlays when drawing up economic plans.

He also made outstanding contributions to effectively overcoming the grave difficulties that afflicted the national economy at the time. Beginning in the fifties, Comrade Chen Yun put forward many important viewpoints and propositions on exploring a socialist market system that was consistent with China's conditions. In light of the new situation in historical development, he called for studying contemporary capitalism and using foreign capital in our country's economic construction during the latter period of the "Great Cultural Revolution," so that our country would secure its due share of the world market. Following the Third Plenary Session of the 11th CPC Central Committee, he summed up the historical experience of socialist economic development at home and abroad; took the lead in criticizing malpractices that previously existed in planning work; and pointed out that a major shortcoming in the planning system was "planning and proportionality" without market regulation under the socialist system. These viewpoints had a wide-ranging and profound influence on the way the entire party was driven at the time to emancipate its mind, seek truth from facts, and carry out reform aimed at breaking through the highly centralized planned economic system. Of long-term and great guiding significance to our country's socialist modernization



are his viewpoints on the need for the state to intervene as necessary while acting in accordance with the law of the economy; on the "lack of stability without agriculture" and "chaos without grain"; on an appropriate ratio between accumulation and consumption in national income distribution; on the need to pay attention to both food production and economic construction; on the need for the central authorities to concentrate essential financial resources; on the need for the central authorities to underpin their authoritative political affairs with their authoritative economic affairs; on the need to pay close attention to and earnestly approach various negative phenomena in society; and on the simultaneous promotion of material civilization and socialist spiritual civilization.

The revolutionary spirit, ample experience, and lofty moral character of the party's proletarian revolutionaries of the older generation are valuable spiritual wealth for our party and people, as well as a powerful force that inspires us to advance the socialist modernization drive. Comrades throughout the party, especially leading cadres with party membership at all levels, should earnestly study Comrade Chen Yun's works; foster firm convictions in socialism and communism; inherit and carry forward the party's fine tradition and work style; keep in touch with the masses; work hard and lead a plain life; work selflessly for the public interest; carry out their work in a down-to-earth manner; strive to improve the party's style and promote clean administration; firmly resist and oppose the corrosion of decadent bourgeois ideas and ways; take the lead in maintaining the party's character as a proletarian vanguard and its goal of wholeheartedly serving the people; and rally more closely around the party Central Committee to achieve even greater results in reform, opening up, and modernization under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line.

#### More on Jiang Speech

OW1306135795 Beijing XINHUA in English  
1344 GMT 13 Jun 95

[FBIS Transcribed Text] Beijing, June 13 (XINHUA) — Communist Party General Secretary Jiang Zemin said here today that the new version of the *Selected Works of Chen Yun* is a concise theoretical summing up of Chen's thoughts, ideas and rich experiences as a longtime leader of the Party and the State.

Jiang made the remark at a symposium commemorating the 90th anniversary of the birth of Chen, who died on April 10, and the publication of the three volumes of his selected works after they have been supplemented and revised.

His works have "great significance" in promoting China's construction of its socialist economy and a society based on sound social ethics, and strengthening the building of the Party, Jiang said.

"Grief is not the only thing that has been left behind by the death of an outstanding person, who devoted his lifetime energy and total talents to building the great history of contemporary China," Jiang said. "Chen Yun's achievements and works, his thoughts, personality and work style all belong to our Party, country and nationality."

The Party chief recalled that Chen put the interests of the Party first all the time. "He was very much concerned about the cultivation and selection of successors for the cause of the Party, and was very strict about the requirement that both capability and political integrity should be included in such successors," Jiang said.

Chen Yun's theses, such as "The working style of the ruling party is a matter of life or death" and "Party principles and discipline must never be relaxed" should be the maxim for all Party members, Jiang said.

"Chen Yun was a member of the first generation of the central leadership with Mao Zedong as the core and also a member of the second generation of the central leadership with Deng Xiaoping as the core," Jiang said. "His contributions to the Party and people are great and in multiple aspects, especially in starting and laying the foundation for China's construction of its socialist economy."

Chen Yun proposed during the later years of the decade-long "Cultural Revolution" of 1966-1976 to study contemporary capitalism, and to utilize foreign funds for China's economic construction so that China can have a due share of world markets, Jiang said.

A large-sized pictorial with nearly 500 precious photographs of Chen Yun was also published today.

#### NPC Standing Committee 14th Meeting Begins 23 Jun

OW1406101295 Beijing XINHUA Domestic Service  
in Chinese 0518 GMT 14 Jun 95

[By reporter Zhang Sutang (1728 1372 1016)]

[FBIS Translated Text] Beijing, 14 Jun (XINHUA) — The Eighth National People's Congress [NPC] Standing Committee held a chairmanship meeting this morning at the Great Hall of the People, and decided to hold the Standing Committee's 14th meeting from 23 June for a period of eight days in Beijing.

Chairman Qiao Shi presided over the meeting. Secretary General Cao Zhi delivered reports on opinions on the

arrangement of the draft agenda and daily programs for the 14th meeting of the Eighth NPC Standing Committee; on explanations on the draft decision on the timing of elections for people's congresses at all levels; and on opinions on the arrangement of the NPC Standing Committee's component members and the study arrangements on the Constitution and laws for departments and cadres. NPC Law Committee Chairman Xue Ju delivered a report on amendments to several draft laws.

After deliberations, the chairmanship meeting suggested the following major agenda for the 14th meeting of the Eighth NPC Standing Committee: Deliberating on the draft warranty law, draft insurance law, draft decision of the NPC Standing Committee on penalizing criminal elements who sabotage the financial order, and draft energy conservation law; deliberating on the draft civil aviation law, draft law on practicing physicians, draft sports law, and Sino-Turkish agreement on civil, commercial, and criminal judicial assistance, submitted by the State Council for deliberations; deliberating on the NPC Standing Committee's draft decision on the election time for people congresses at all levels; hearing and deliberating on the State Council report on examination of the 1994 state final accounts, and approving the 1994 final state accounts; hearing and deliberating on the State Council report on statistical work; hearing report of the NPC Standing Committee's law enforcement investigation group on enforcement of the Law on Protecting Women's Rights and Interests.

Tian Jiyun, Wang Hanbin, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, Li Ximing, Wang Bingqian, Wang Guangying, Chen Siyuan, Lu Jiayi, Buhe, Li Peiyao, and Wu Jieping, vice chairmen of the Standing Committee, attended the meeting.

#### Kong Fansen's Matching Words, Deeds Noted

HK1406063895 Beijing RENMIN RIBAO in Chinese  
8 Jun 95 p 1

[Commentator's article: "On Matching Words With Deeds"]

[FBIS Translated Text] One of the most valuable aspects of Comrade Kong Fansen's spirit is matching words with deeds.

He said: "As a party cadre, I am at the disposal of the organization." Not only did he say so, but he also did so — wholeheartedly and conscientiously. Toward the end of 1992, his second term of office in Tibet was coming to a end. With his mother advanced in age, his wife ill, and his children at school, no one would have objected if he had applied to return to his native town. However, when the party organization wanted him to take up a

post in Ngari Prefecture, where conditions were harder, he went there without hesitation, and exerted his utmost to lead the people to develop and build Ngari until his death at his post. He also said: "Every party cadre should share the comforts and hardships of the masses, and should throw in his lot with them." In early 1994, Ngari suffered an exceptionally serious snowstorm. Given the winds and snow at minus 20-odd degrees Celsius, Comrade Kong Fansen, despite the risk that he might fall in the snowfield, took off his woolen sweater and trousers, and gave them to a Tibetan grandmother. In this spirit, Comrade Kong Fansen distinctly embodied our party's glorious tradition and fine work style of matching words with deeds.

Our party enjoys high prestige among the masses, and is capable of leading the people of all nationalities in the country in winning great victories in both revolution and construction. An important reason for this is that it is always true in word and resolute in deed, matching words with deeds. In their attitudes toward the party and in assessing party cadres, the masses do not merely listen to what you say, but more importantly, they watch what you do. When mobilizing and organizing tens of millions of people to struggle for the realization of the party's program, line, objectives, and tasks, party cadres — especially leading cadres — must match words with deeds, charge at the head, take the lead in work, and exert themselves at implementation. In the long-standing practice of revolution and construction, most of our party cadres have done so, and therefore have won the support and trust of the masses, and have continuously pushed forward revolution and construction. If one speaks differently from how one acts, how can one lead the broad masses of the people in implementing the party's basic theory and basic line, and shouldering the heavy burden of building socialism with Chinese characteristics? Every leading cadre should fully understand the importance of matching words with deeds, and should learn from Comrade Kong Fansen by persisting in this practice, and in opposing the practice of speaking and acting in different manners.

There is a small number of leading cadres who do not match words with deeds. What they talk and write about are all correct, but their actions are different. Some people pay lip service to the need to maintain unanimity with the central authorities, but in reality they adopt a pragmatist attitude of working out measures to counter the policies of the higher authorities. Some talk glibly about seeking truth from facts, but in reality they are keen on assuming presentable looks, making false reports, practicing fraud, deceiving their superiors, and deluding their subordinates. Some keep talking about serving the people wholeheartedly and working

as public servants, but in reality they abuse power for personal fame, gain, and position, and are indifferent to the weal and woe of the people. On the rostrum, some talk about fighting corruption, yet in private they squander public money and take bribes. Some outwardly approve the use of cadres according to merit, but in reality they offer official posts, make lavish promises, and appoint people according to favoritism. Although these people are in the minority among cadres, they have created a very bad influence among the broad masses. They have discredited the party's fine tradition; obstructed the implementation of the party's line, principles, and policies; and weakened the party's unifying power. We must rectify this.

Failure to match words with deeds is a manifestation of impure party spirit. These problems show that some cadres have not fostered correct outlooks on life and on the world in their ideology. They forget the purpose of wholehearted service to the people. They gain trust, honor, and positions under the banner of "serving the people," but in reality they work for their own personal interest or in the interests of small groups. To rectify and raise the ideology and understanding of party members, party organizations at all levels should organize the vast numbers of party-member cadres to conscientiously study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, enforce inner-party life and strengthen its ideological nature and principle. In this way, party cadres at all levels will genuinely take up the weapon of criticism and self-criticism; take Comrade Kong Fansen as their example; and by taking the world outlook and the outlook on life as a point of departure, and by tracing the root of the matter, solve well the problems that exist in carrying out the party's purpose, and become people who "are transparent both outside and inside, and both in word and deed" and who are always loyal to the cause of the party and the people.

To build socialism with Chinese characteristics, we need people to work solidly from one generation to another. There should be no falsehood whatsoever; the leading organs and senior cadres of the party should take the lead in speaking the truth, rouse themselves solidly, do practical work, seek practical results, and match words with deeds. In the work of selecting and appointing cadres, not only should we listen to what they say, but also should watch what they do, as well as having a complete understanding of the real situation concerning cadres. With regard to those cadres who speak the truth, do practical work, and seek practical results, we should encourage, commend, and boldly use them. With regard to those who do not match words with deeds, who practice fraud, who gloss over their faults, who

do something only at the "higher level," and who even encourage or force their subordinates to tell lies, we should educate them through criticism, and even take disciplinary action against them within the party. The fact that some cadres do not speak the truth, and even practice fraud, has to do with some leading organs' and leading cadres' reporting only the good news and not the bad, and who will not listen to words or advice which are displeasing to the ear. Therefore, with an attitude of being highly responsible to the party and the people, the leading organs and leading cadres must persist in matching words with deeds, seek truth from facts, oppose bureaucratism, strictly avoid formalism, and conscientiously set examples for the vast numbers of cadres. This is an important guarantee for carrying forward the glorious tradition and fine work style of matching words with deeds.

**School Ban for Hong Kong, Taiwan Students Noted**  
*HK1406092495 Hong Kong EASTERN EXPRESS*  
*in English 14 Jun 95 p 10*

[By Bruce Gilley]

[FBIS Transcribed Text] The Beijing city government has accused international schools in the capital of illegally enrolling Hong Kong and Taiwan students since the late 1980s, accusations which school officials have vehemently denied.

The city also warned yesterday that a surprise ruling which bars Hong Kong and Taiwan students from the schools beginning this autumn will be applied nationwide.

Under the ruling, which has sent shock-waves through Beijing's expatriate community, Beijing's education bureau told the students they must switch to local schools unless they hold a foreign passport.

The bureau said the students were considered to be Chinese citizens, who were expressly banned from attending foreign schools under a law issued in April.

The ruling affects close to 200 students from Hong Kong and Taiwan in the capital who are already enrolled or registered to enroll for the autumn term.

"We have told them again and again that they cannot enroll these students, but still they continued," the head of foreign affairs for the Beijing education bureau, Ding Hongyu, said yesterday.

The restriction was contained in temporary rules governing foreign schools issued in 1987, Ding said.

"If these schools did not comply then it is their fault," he said.



School officials rejected the claims.

"It's obvious he is backed into a corner and is getting defensive about it," a senior official at one international school in the capital said.

The official said under the 1987 rules, the schools agreed to submit information about prospective students to the bureau and proceeded to enroll them if no objections were raised within 10 working days.

"We were told there was no need to have written approval from the bureau," he said.

Twenty-one children have been told to leave the Beijing International School, while 22 children registered to join have been told they cannot now enroll.

Officials from two other international schools, the Western Academy and the Beijing Singapore International School, said they had not yet received written or verbal confirmation of the rule which would affect 100 additional students.

"We discussed this issue with the city education bureau only two months ago and they assured us nothing like this would happen," Ricky Tang, the chief operating officer for the Singapore Beijing [as published] International School said.

Ding admitted that the bureau was not aware that many of the affected students could not speak, read or write Chinese when it decided to implement the order.

"We have not found a way to solve this problem yet," he said. "We are thinking about it and discussing it with the central government."

He asserted that the ban would soon be applied to all 12 international schools in the country, including the American Schools in Shanghai and Guangzhou.

"This is the state's policy. No Chinese citizens can go to international schools," he said.

At an emergency meeting yesterday afternoon, the central government's State Education Commission told the international schools that it has no power to change the ruling.

"They said they have no direct control over the Beijing bureau and advised us to pursue the matter through the Ministry of Foreign Affairs," David Eaton, a director of the Beijing International School said.

About 60 parents and executives representing 25 international companies were to meet today to discuss an "action plan" to fight the ruling.

"Several of our staff would be affected," David Prindville, the head of personnel at Hewlett-Packard China said.

#### Circular Issued on Control Over Exit Permits

OW1406094895 Beijing XINHUA Domestic Service  
in Chinese 0052 GMT 14 Jun 95

[By reporter Gai Jindong (5556 6855 2639)]

[FBIS Translated Text] Beijing, 14 Jun (XINHUA) — To strictly exercise control over the order of citizens' exit and entry in accordance with the law and to crack down on illegal emigration, the Ministry of Public Security recently issued a circular requiring all public security organs to resolutely put an end to the processing of exit permits and passports for nonlocal residents.

According to a briefing by Mao Fengping, director of the Exit and Entry Management Bureau under the Ministry of Public Security, in recent years public security organs across China took effective measures to stop illegal emigration, exercised strict control over citizens' exit and entry in accordance with the law, and achieved initial successes under the leadership of local party committees and governments. However, public security organs in a small number of areas processed exit permits and passports for nonlocal residents out of consideration for their local economic interests. They not only disrupted the order of the control over exit and entry, facilitated illegal emigration, and damaged China's reputation, but jeopardized national security and social stability. Therefore, it is necessary to resolutely put an end to the processing of exit permits and passports for nonlocal residents.

The Ministry of Public Security's circular required public security organs at all levels to establish and perfect a supervisory and restrictive mechanism for the control over exit and entry and to improve the work of examination and approval in accordance with the law. They are required to resolutely put an end to the processing of exit permits and passports for nonlocal residents, to seriously investigate and verify the information contained in applications for exit permits, to deal with culprits in a timely manner in case deception is found, to conscientiously improve management of and provide better guidance for exits for the purposes of tourism and labor services, to supervise relevant units responsible for the operation of exit and entry formalities, and to help them enhance their sense of political responsibility, correct their thinking about operation, and handle their jobs in strict accordance with the provisions of the law. Units and relevant personnel processing exit permits and passports for nonlocal residents must be sternly dealt with.



**'Anti-Japanese War' History Series Published**

OW1306150495 Beijing XINHUA in English  
1434 GMT 13 Jun 95

[FBIS Transcribed Text] Beijing, June 13 (XINHUA) — A 28-volume history series on China's Anti-Japanese War (1937-1945) is being compiled and will be published in late July.

The series, jointly compiled by the China Society for the Study of the Anti-Japanese War and the Memorial Hall for the War of Resistance Against Japanese Aggression, is part of the commemoration activities marking the 50th anniversary of the victory of the War of Resistance Against Japan and the World Anti-Fascist War.

The 13-million-character series has been compiled by researchers from over 20 universities and academic institutions over a period of more than four years.

The series is expected to be good teaching material for education in patriotism, said the editors.

**Survey Shows Increased Divorces Over Last Decade**

OW1406040695 Beijing XINHUA in English  
0304 GMT 14 Jun 95

["Divorce: Reluctant But Necessary Alternative for Some" — XINHUA headline]

[FBIS Transcribed Text] Shijiazhuang, June 14 (XINHUA) — Hu Hong and Li Ying were a normal happy couple for six years, until early this year, when, all of a sudden, Hu asked for a divorce from his wife, who had supported him all during his studies for his master's degree in Beijing.

Li, reeling from the unexpected blow, nonetheless replied, "I won't stand in your way if you have strong reasons," a response which, though unacceptable to her parents, has become common in contemporary China.

In Shijiazhuang, capital city of North China's Hebei Province, more than 45 percent of the divorce cases have reached a settlement out of court. In Hebei and other parts of China, more and more couples who are separated are, in a new twist, choosing to end their marriages by inviting friends of both sides to a divorce banquet, oddly similar to a wedding ceremony.

A decade ago, however, 70 percent of the marriages that ended in divorce, did so after endless quarrels and ceaseless tearful complaints, mostly by wives who were often considered victims of the divorce.

"I was pretty much afraid of women crying and shouting in court, or threatening revenge or suicide if the court O.K.ed the divorce," said a civil court judge in the Shijiazhuang Intermediate Court. Today on the other

hand, he explained, divorce cases go to court mostly if there is a property dispute or child custody problem.

In spite of a lack of official statistics, the number of divorces in China has risen steadily over the last decade, especially since the country adopted a second marriage law in 1980. A recent random survey by "Women of China", a monthly magazine of the All-China Women's Federation showed that 15 percent of marriages in today's China end in divorce. There were 285,000 divorces in 1978, and the figure rose to 909,000 in 1993, pushing the divorce rate up to 1.54 per thousand.

According to an official with the Ministry of Civil Affairs, however, China still has one of the lowest divorce rates in the world. Some couples split up when one of the partners gets rich or finds someone new who is rich, then there are extra-marital affairs and differences over household chores or finances, and quite a few marriages dissolve after one partner has gone abroad, he explained, adding that arranged marriages are the ones most likely to end in divorce.

As in the rest of China, Hebei has had its share of divorces with an annual increase of nine percent in Shijiazhuang, with 75 percent of the divorces having been filed for by women. Over 90 percent of the divorces happened within one to five years of the wedding.

In answer to the question: "How would you respond if you found out your spouse was having an extra-marital affair?", few women chose to say revenge, a response that used to be common, but wanted mostly to save the marriage. More than 50 percent more women chose divorce than men.

In traditional China, marriage was the final resort in a woman's life. Choosing divorce today reflects not only women's not tolerating their husbands' extra-marital affairs but also changes in women's ideas about marriage, said Li Shuqing, a research fellow with the Hebei Sociology Research Institute.

"With the increase in the number of career women, the image of woman as a member of a group has been built up in China, which in turn led to the awakening of women," Li said in an interview with XINHUA.

China's reforms and opening-up have also unleashed forces of production, which have pushed women to quickly rethink their role of being dependent on husbands to one of independence, Li added.

When a woman chooses divorce it does not necessarily mean that her worries are over. Xiao Qan, a factory worker in Shijiazhuang, was very relieved when she got

a divorce from her husband, who was a drunkard. When she decided to re-marry, her six-year-old daughter, who stayed with her after the divorce, became a hindrance.

"The major concern of divorced women is the children, who take up 60 percent of their concern — love is secondary," said Liu Shuping, head of the Women's Rights Department of Hebei Women's Federation.

Such concerns have prompted women to avoid having children when their marriages are a bit rocky. Many choose to be by themselves after divorce instead of being a single-parent family, because of the further adjustment, having had children before the divorce.

To cope with the rising number of divorce cases, Hebei Province has listed marriage quality as one of ten priorities in the building of a spiritual civilization. Family schooling, and marriage training and counselling sessions have now been started by government organizations or non-governmental institutions to help youngsters in their choices in marriage. Single-parent clubs have also begun to appear in some parts of the country to help single parents and their children cope with mundane problems or to provide single parents with more opportunities to re-marry.

#### **Report Proposes Antidisaster Construction Projects**

HK1406093095 Hong Kong HONGKONG  
STANDARD in English 14 Jun 95 p 7

[By Amy Liu]

[FBIS Transcribed Text] China is set to invest tens of billions of yuan in several anti-disaster construction projects, according to a report compiled by ministries.

China is also tipped to make an amendment to the current legislation in an effort to improve management plans for natural disasters.

The report is expected to be approved by the State Council in September.

It was created by the State Planning Commission and the Commission for the Prevention of Natural Disasters which is headed by State Councillor Li Guixian.

"The report is aimed at reducing natural disasters as well as boosting industrial, agricultural and urban developments," Kong Jianguo, an official responsible for the drafting of the report, said.

Natural disasters in the past five years have cost China more than 100 billion yuan (HK\$93 billion) in losses, he said.

The report suggested Beijing construct 69 projects, Mr Kong told The Hongkong Standard.

Some major projects will be included in the next five-year plan, while others will be planned for construction in next century, he said.

The anti-flooding construction project, channelling the water from the Yellow river into the northern and eastern provinces, and the Xiao Langdi water construction project in Henan province, are costly ones and will take years to complete.

The report suggested the government give priority to flooding, drought and earthquakes among the 20 types of common natural disasters in China.

The report also suggested improved co-operation among the provincial governments and with foreign nations, citing the fact that flooding was administered by the Ministry of Water Resources, earthquakes are monitored by the State Seismological Bureau, while agricultural disasters are dealt by the Ministry of Agriculture.

The report suggested Beijing make an amendment on current regulations to improve management on anti-disaster work and encourage the use of scientific technology and education. [sentence as published]

Laws will be amended to make clear the new responsibilities of central and local governments.

Natural disasters cost the government and people more than will be spent on the anti-disaster work, the official said.

### **Science & Technology**

#### **Song Jian Addresses Nuclear Reactor Ceremony**

OW1406094495 Beijing XINHUA in English  
0903 GMT 14 Jun 95

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — The construction of China's first high-temperature, gas-cooled experimental nuclear reactor started in the Chinese capital city of Beijing today.

The reactor is being built at the Nuclear Technology Design and Research College of Qinghua University in Changping county, 40 kilometers away from the city center and almost at the foot of the Great Wall.

It is a key construction project in the national high-tech development program and has got the approval from the State Nuclear Security Bureau.

"It will be important to the training of China's nuclear experts and the development of nuclear technology as well as nuclear power stations in the next century," State Councillor Song Jian said at ground-breaking ceremony.

Energy shortage has so far been a major problem blocking China's economic progress. The government

has called on scientists to step up the exploration of solar, wind, tidal and nuclear energy.

China has already had two nuclear power stations, namely Qinshan and Daya Bay, in its coastal areas. The new test reactor serves to help develop the next generation of nuclear power stations, experts said.

High-temperature, gas-cooled reactor is the latest model adopted by the most advanced nuclear power stations in the developed countries. Experts said that the reactor has a high safety rate since it is insensitive to any outside dangerous signals and has the function of self-adjustment.

The project will be mainly managed by the prestigious Qinghua University, which will be supported by the National Nuclear Industrial Corporation, the Nuclear Energy Research Institute and other entities.

"We will make things perfectly safe," said Wang Dazhong, president of Qinghua University and an expert of nuclear security.

The huge cost will come from the state budget, Wang said, adding that the whole project will be completed by the year 2000.

#### **Seminar on Saving Ozone Layer Closes 13 Jun**

*OW1306170395 Beijing XINHUA in English  
1613 GMT 13 Jun 95*

[FBIS Transcribed Text] Xian, June 13 (XINHUA) — An international symposium on how to phase out industries in China that eat away the ozone layer closed here today.

More than 60 Chinese and UN officials, experts and scholars attended the meeting in this capital of northwest China's Shaanxi Province.

The destruction of the ozone layer, as one of the three major global environmental problems, has aroused great attention all over the world.

The UN Montreal Protocol on Substances Consuming the Ozone Layer has specified the substances and the period within which pollution sources should be phased out. China has signed the convention and mapped out a national plan on eliminating harmful substances, which gained UN approval in 1993.

The seminar examined the nine industries in China which produce or use substances that harm the ozone layer and discussed strategies to phase them out as soon as possible.

In recent years China has done a vigorous job of observing international conventions on the protection of the environment. Programs have been started in some

Chinese cities to cut the release of harmful substances into the atmosphere by nearly 2,000 tons a year.

Lan White, chairman of the Montreal Multilateral Fund, was present at the meeting and said he believed that China has taken a very positive approach in the global environmental drive to get rid of substances that threaten the ozone layer.

### **Military & Public Security**

#### **Zhang Zhen Meets Nanjing Military Leaders**

*OW1306121095 Nanjing Jiangsu People's Radio  
Network in Mandarin 2300 GMT 24 May 95*

[From the "Provincial News Hookup" program]

[FBIS Translated Text] At a meeting with leading comrades of the People's Liberation Army [PLA] units in Nanjing on 23 May, Zhang Zhen, Central Military Commission vice chairman, said emphatically: Leading cadres at all levels, particularly high-level ones, should be keenly aware of the historical phase we are in, the PLA's historical mission, and the protracted and complicated nature of the army's effort to resist corruption and prevent degeneration. They should understand, from this vantage point, the significance of President Jiang Zemin's suggestion that ideological and political construction be given priority; vigorously strengthen ideological and political construction; and ensure the purity and stability of the army, so that our army will forever preserve the character of the people's army and forever obey the party.

Accompanied by Fang Zuqi, Nanjing Military Region's political commissar, Zhang Zhen has since early April led a working group in successively conducting an inspection and survey — on such issues as the PLA's ideological and political construction in the new situation — in PLA ground force, naval, and air force units and their universities, colleges, and science research units, and the people's armed police units in Jiangsu, Shanghai, Zhejiang, and Anhui. While in Nanjing, Zhang Zhen heard a work report of the Nanjing Military Region party committee; held a discussion meeting with veteran comrades; cordially met with (Xu Yongnan), an outstanding armyman and pacesetter of the Nanjing Military Region; and viewed a full-length modern drama created and performed by the Frontline Modern Drama Troupe, entitled "(Xu Yongnan)."

Attending the meeting on 23 May were Wu Quanxu, assistant chief of general staff; Zhou Ziyu, deputy director of the General Political Department; Wang Tailan, deputy director of the General Logistics Department; Fang Zuqi, Nanjing Military Region's political commissar; and other people.



**Ren Jianxin Attends Public Security Meeting**

OW1306122495 Beijing XINHUA Domestic Service  
in Chinese 0934 GMT 7 Jun 95

[By RENMIN RIBAO reporter Su Ning (5685 1337)  
and XINHUA reporter Zhang Sutang (1728 1372 1016)]

[FBIS Translated Text] Beijing, 7 Jun (XINHUA) — The Central Committee for Comprehensive Management of Public Security [CCCMPS] convened its fifteenth plenary session this morning at the Great Hall of the People. Ren Jianxin, member of the Secretariat of the CPC Central Committee, secretary of the Central Commission on Politics and Law, and chairman of the CCCMPS, pointed out: The CPC Central Committee and State Council have made the management of the floating population a top priority in strengthening overall control of public security in 1995. It is also a matter of great concern for all quarters of society and the broad masses of the people. To make a success of this work, the principal tasks ahead are: It is necessary to further unify our thinking, enhance coordination and cooperation among the relevant localities and departments, pool efforts, and implement more effective measures to strengthen comprehensive control over the floating population.

Ren Jianxin said: The floating population has now become a major problem directly affecting economic development and social stability. We must be fully aware that today's problem of floating population is an unavoidable by-product of the policy of reform, opening up to the outside world, and establishing a socialist market economy; a necessary development in the process of achieving optimum geographical distribution of productive forces. Rational and orderly mobility of the surplus rural labor force is essential for advancing economic development and social progress. The focus of our work is, first of all, to accommodate and make positive efforts in guiding this inevitable trend of population mobility. Meanwhile, we should objectively look on the negative effects of an uncontrolled drifting population, skillfully suiting our policy to the circumstances and implementing a variety of measures to vigorously promote the rural economy and strengthen management, service, and education so as to reap maximum benefits and minimize the negative effects of such mobility.

He said: It is necessary to strengthen residence registration, public security control, and other administrative work in regard to personnel working or doing business in a locality outside the place of their permanent residence. It is also necessary to closely integrate management of the floating population with the provision of guidance, education, and service, establishing a scientific and effective operating mechanism and putting the

work on an institutional and legal basis step by step. We must closely monitor the situation of the floating population, control the pattern of migration, promote orderly mobility, take full advantage of the positive effects of migrants, protect their legitimate rights and interests, and prevent and crack down according to law on unlawful and criminal activities by a handful of migrants.

Ren Jianxin pointed out: We must further enhance our understanding and make the maintenance of stability a key task today and for some time to come. We must properly handle contradictions among the people, fulfill our responsibility, and implement the various measures. We must create, with persistent efforts, a steady, good social environment for reform, opening up, and socialist modernization.

He said: We must be soberly aware that the current situation of public security is still rather grim. Crime, serious crimes in particular, have been steadily on the rise and in some localities public order has yet to be improved significantly. Severely and promptly dealing with criminal activities that jeopardize public security in accordance with law is a long-term task that must be carried out with perseverance. Localities must continue — in the light of their respective conditions — organizing crackdowns to deal a severe blow on crimes, put a halt on the rising tide of serious crime, and bring about a quick turnabout in public order in areas with a public security problem.

Ren Jianxin also set forth demands on strengthening grassroots organizations in a down-to-earth manner. He said: Generally speaking, laxity at the grassroots level remains the a salient problem in strengthening overall control of public security. For this reason, the CCCMPS has made building up grassroots organizations a long-term priority. Localities and departments concerned must work harder in this regard to produce results. In improving rural public security, we must, while intensifying a crackdown on crime, integrate the crackdown with efforts to build up grassroots party organizations that are in a state of paralysis and strengthen the building of village level organizations with the party branch as the core.

Chen Jiping, member of the CCCMPS and director of its general office, delivered a report on a tentative plan of convening a "National Conference on the Management of Floating Population;" surveying efforts of six provinces in strengthening overall control of public security and their suggestions; and an experience-exchange meeting on placing, educating, and helping ex-convicts who have been released after completing their sentences, as well as people who have undergone rehabilitation through labor. Participants — committee



members and representatives of various units — discussed and examined the tentative plan of convening a "National Conference on the Management of Floating Population" and ideas on further strengthening rural public security.

Luo Gan, Zhang Siqing, and Cao Zhi, who are vice chairmen of the CCCMPS, and committee members and representatives of various units, attended the meeting.

#### **Five Executed for Urumqi Bomb Explosions**

OW1406093595 Urumqi XINJIANG RIBAO  
in Chinese 31 May 95 p 1

[FBIS Translated Text] On the morning of 30 May, the Urumqi City Intermediate People's Court held a sentence-pronouncing meeting during which sentences were openly pronounced according to law on eight criminals involved in the case of bomb explosions on Urumqi's Route 52 and Route 30 city buses on 5 February 1992. Of the eight, Abulimiti Talifu and Yidilisihan Wumaier were sentenced to death, with political rights deprived of for life, on the charge of organizing and leading a counterrevolutionary group and engaging in counterrevolutionary sabotage; Maimaitiming Seyiti, Heilili Aletong, and Abudula Maimaiti were sentenced to death, with political rights deprived of for life, on various charges including causing explosions, committing robbery, concealing booty, and illegally transporting explosives. Their sentences were approved by the Autonomous Regional Higher People's Court and the Supreme People's Court. By the orders of the two courts, the five were escorted to the execution ground and executed there. The other three involved in the case were sentenced to either death penalty with a suspension of execution or life imprisonment.

In October 1990, Abulimiti Talifu and Yidilisihan Wumaier joined others in setting up the counterrevolutionary organization "Islamic Reformers Party" for the purpose of "splitting the motherland and achieving Xinjiang's independence." Later, they actively recruited their party members and committed such crimes as robbing Xayar County's Tuoyibao Township Bank of a large sum of money and buying firearms and ammunition. After a long planning, they set off explosives on Urumqi City buses no.01-16715 of Route 52 and no.01-16786 of Route 30 on the evening of 5 February 1992. The explosion killed three, severely injured four, and caused minor injuries to 11 people, plus a direct economic loss of more than 50,000 yuan. At the same time, they also planted a bomb in Urumqi City's Qunzong Theater and another bomb under the balcony of an apartment building on Wenhua Road, but for some reasons, the bombs did not explode. After the bus bomb explosion, the public security organs actively investigated

the case and finally captured the criminals. In July 1993, the Urumqi City Intermediate People's Court delivered the first instance judgment, but the eight defendants, dissatisfied with the judgment, lodged an appeal. The Autonomous Regional Higher People's Court, after reviewing the case according to law, rejected the appeal and affirmed the original judgment on the eight defendants. The five death sentences were approved separately by the Autonomous Regional Higher People's Court and the Supreme Court.

Lu Qifa, member of the standing committee and secretary of the political and legal commission of the Urumqi City CPC Committee, addressed the sentence-pronouncing meeting. He pointed out: Generally speaking, the political, economic, and public security situation in Urumqi, like that in the country as a whole, is good. However, a handful of hostile elements, not reconciled to their failure, will take various opportunities to create disturbances of all sorts and engage in sabotage. The people of all nationalities in this city should keep a clear head, further strengthen the unity among nationalities, and resolutely smash the enemy's sabotage plots. The organs of people's democratic dictatorship will surely impose harsh punishment on any bad people who dare to split the motherland, undermine national unity, and attempt to create disturbances and engage in sabotage. Lu Qifa also called on the people of all nationalities in Urumqi to support and participate in the ongoing "spring offensive" against serious criminals and antidrug struggle, and to contribute to consolidating and enhancing the political situation of stability and unity and to ensuring good public order in Urumqi City.

#### **\*Outlook for 21st Century 'Information' Warfare**

95CM0240A Beijing GUOJI HANGKONG  
[INTERNATIONAL AVIATION] in Chinese 5 Mar 95  
No 3, pp 1-5

[Article by Chang Mengxiong (1603 1125 7160): "Information Intensified—A Mark of 21st-Century Weapons and Military Units"]

[FBIS Translated Text] Numerous facts show that we are in the midst of a new revolution in military technology in which electronic information technology is the central technology. This technology provides unprecedented conditions for the large-scale and universal use of information by both weapons and military units, and it provides unprecedented opportunities for the development of new weaponry.

The author of this article believes that both weapons and military units will be information intensified in the 21st century. Information acquisition will be the main feature distinguishing military forces of the 21st century from

those of the 20th century. Military battles during the 21st century will unfold around the use and counteruse of information for military and political goals and at many different levels.

This article looks at how weapons and military units will be information intensified, focusing mostly on the years 2010-2020.

### **Information-Intensified Weapons**

Information-intensified weapons include precision guided weapons, i.e., guided bombs, artillery shells, and cluster bombs, cruise missiles, target-guided missiles, and anti-radiation missiles. These are weapons that can acquire and use position information that the targets of attack themselves provide to correct their own trajectory in order to hit the target accurately. These weapons will be smart to a certain extent, will be able to be launched from outside the enemy firepower network, and will be able to identify and attack targets. Their circular probable error of target accuracy will be close to nil. The Gulf War has already demonstrated that accurate guided weapons are the basic firepower of high-technology warfare.

The term information-intensified weapons may inspire a search for weapons that make full use of information. Foreign "smart land mines," and "smart water mines" may automatically head toward and destroy a target after acquiring information about it. Tank reaction armor also actually uses information acquired from attacking weapons and detonates them at once. In the 21st century, all weapons, with the exception of rifles and machine guns, will be information intensified.

Combat methods will consequently change: Accurate over-the-horizon firepower attacks may become the primary form of firepower attacks; blind firing and carpet bombing will become antiquated combat methods whose cost-benefit ratio is not high; and damage outside the combat target area will also be greatly reduced.

### **Information-Intensified Soldiers.**

Soldiers in the 21st century will not only carry conventional rifles and hand grenades, but small, light-weight, multi-media electronic information equipment as well. This equipment will have a personal radio communications function, a GPS [global positioning system]-type direction finding function, a personal computer and network function, a night vision function, an identification-friend-or-foe function, a warning function, and a launch command function for some information-intensified weapons, etc. The soldiers will wear clothing whose temperature and color can be adjusted, and in some circumstances, they will be able to use personal flight platforms.

Information-intensified soldiers will be able to receive all sorts of information having to do with combat. They will be able both to receive highly concentrated, commands and, when necessary, they will even be able to receive orders directly from the division commander. They will have a high capacity to make their own decisions about the enemy based on the combat plans of higher levels and their own possession of information.

### **Information-Intensified Combat Platforms.**

The battle platforms that some people will man during the 21st century, including airplanes, vessels, and armored personnel carriers, will all be equipped with large amounts of electronic information equipment. They will have various kinds of telecommunications equipment for use in exchanging combat information with higher levels and friendly neighboring units. They will have various kinds of detection equipment for the detection of enemy targets to provide information for accurate firepower attacks against enemy targets. They will have ample computer and computer-network capabilities that will be able to provide timely and effective supplementary information for combat actions.

In addition to making full use of information about one's own side and the enemy, information-intensified platforms will also be fully able to counter the use of information about them by the enemy. In other words, these platforms will have electronic warfare equipment that has detection, jamming, and deception capabilities.

Stealth technology is one form in which being information-intensified is expressed. Stealth technology is actually a technology that prevents the adversary from obtaining information through the use of radar and infra-red detection. Stealth aircraft and surface vessels already exist, and other stealth combat platforms will also appear.

The robot troops about which there is much discussion both in China and abroad are actually vehicles that possess a certain amount of information-acquisition, information-processing, and unmanned casualty-inflicting firepower capacities. They are a kind of unmanned information-intensified combat platform that does not even slightly resemble a human figure. As electronic information technology develops, some these will develop into unmanned information-intensified combat platforms. Early in the next century, robot sentries, robot engineers, robot infantrymen, and even unmanned smart tanks may appear under some battle-field conditions.

Information-intensified combat platforms are bound to bring about major changes in combat methods. Since the distance over which these platforms can fire accurately

is vastly greater than the distance their operators can see, the scale, range, and accuracy of their coordinated operation will greatly exceed the level that noninformation-intensified platforms can attain in the 20th century. It is foreseeable that by 2010 the conventional combat methods of the past several decades of groups of fighter planes fighting at short range will be rare; attacks by tens and hundreds of tanks will also be rare; simultaneous firing of as many as 1,000 fire-suppression artillery pieces will also be rare; and it is also difficult to predict that extremely imposing and majestic aircraft combat groups will be able to maintain their grandeur. It is also difficult to imagine what changes in combat methods will occur when robot troops can be used in real warfare and are arrayed in large numbers.

### **The C<sup>3</sup>I System**

The C<sup>3</sup>I system is the nerve center for all information-intensified weapons and military units. When summarizing the lessons of experience of the Gulf War, every country concluded that the C<sup>3</sup>I system will have a tremendous role in future warfare. They emphasize that a dispersed C<sup>3</sup>I system that resists destruction is the orientation for development.

Satellite space telecommunications, reconnaissance, monitoring, navigation, and locator systems are the important component parts of the C<sup>3</sup>I system. With improvement of the entire C<sup>3</sup>I system, improvement of satellite performance and widening of satellite applications, by 2010, high-level commanders may be able to know at once about events occurring on any spot on the earth. This will enable pilots and tank drivers, as well as ordinary soldiers to know accurately their own location on the earth at all times, and it will permit contact with higher-level command organizations anywhere. It will also make it possible to provide real time, continuous, accurate guidance information for the pinpoint guidance of missiles to targets as much as 1,000 kms away. The use of airplanes as carriers of highly mobile radar detection, command and control, electronic warfare, and telecommunications relay equipment or systems holds very many advantages. The C<sup>3</sup>I system will be everywhere in the future, making possible a great increase in the degree to which information can be shared among those engaged in combat. It will develop into an integrated national defense information system. There are two possibilities for its integration into the "high-speed information highway" of individual countries. The first is resource sharing on the two-way communications portion of a network. The second is by serving as an integral part of the latter operating in coordination with it. Since the C<sup>3</sup>I system has such an extremely important position in information-intensified weapons and military units, attacking and protecting

the satellites that are an integral part of the C<sup>3</sup>I system, airborne early-warning and electronic-warfare aircraft, and ground command sites and telecommunications hubs will become important forms of combat.

### **Information-Intensified Weapons Systems and information intensified Battlefields**

The weapons systems of the 21st century will be "information-intensified weapons systems" made up of information-intensified combat platforms and weapons and corresponding C<sup>3</sup>I systems. Various kinds of information-intensified combat platforms in which information-intensified weapons form the basic firepower and carry out different missions will be logically arrayed to form "information-intensified combat groups." The overall combat effectiveness of these combat groups will show a qualitative leap, and they will be the main form of 21st-century weaponry combat systems. In combat, if just one side has information-intensified combat groups under control of trained personnel, an "information-intensified battlefield" exists.

On an information-intensified battlefield, many events are transparent. Information about installations of major military value to both sides, such as military bases, information hubs, and command centers will be stored in the combat data bank about the adversary to become targets against which precision guidance weapons will be aimed. It will also be very difficult for various military movements to fool the adversary's intelligence detection system. These movements will be reflected in real time in the adversary's data bank. If there is a gap between the information capabilities of the two sides, many events will be transparent only to one side. Sun Zi's statement in *The Art of War*, "by knowing the enemy and knowing yourself, you can fight a hundred battles and win them all," applies to the one who has the strongest information capability.

The strategy, tactics, and campaigns suited to the information-intensified battlefields of the 21st century will differ from those of the 20th century. The line among the three will become blurred, and the specific ingredients of each will change.

A realistic point of view on the combat methods of information-intensified troops in the 21st century can be provided only after thorough study. This article can only make some guesses. The writer feels a vivid analogy can be made about the major changes that will come about: Information-intensified combat methods are like a Chinese boxer with a knowledge of vital body points who can bring an opponent to his knees with a minimum of movement. By contrast, noninformation-intensified combat methods are a little like fights between villagers



in which heads are broken and blood flows, but it is hard to distinguish the winner from the loser.

### Information Warfare

Information warfare is warfare of firepower attacks and combat commands to obtain and to counter the obtaining of information, to suppress and countersuppress, and to deceive and counterdeceive, as well as to destroy and counter the destruction of sources of information. It is also warfare to win people's minds and boost morale that employs television, radio broadcasting, and leaflets, focusing on the use and preventing use of information.

Information warfare and firepower warfare are closely linked. Information warfare is used to find and attack targets for firepower warfare. Full use of the role of information warfare is a prerequisite for full use of the role of firepower damage and injury. This is expressed extremely clearly in precision guided weapons, as well as in the tracking, aiming, reconnaissance, and fire correction of all guns. Information warfare includes countering C<sup>3</sup>I systems, ensuring the security and accessibility of one's own lines of communications, ensuring the effective operation of one's own detection equipment, ensuring that it is not jammed or damaged, and ensuring the normal operation of one's own numerous combat command computers and that they are not damaged by computer viruses. In the battle at the strategic and campaign levels in information warfare, one very important thing is the battle to decipher and analyze information and to prevent information from being obtained and deciphered. Information warfare also includes psychological warfare, i.e., the use of television, radio broadcasts, and leaflets to win the people's minds and boost their morale, waging an information war favorable to one's own side and unfavorable to the opponent.

A newly conceived weapon that will appear in the 21st century is high performance microwave weapons that will use powerful electromagnetism to destroy the opponent's electronic equipment and electronic telecommunications systems, thereby rendering opposition weapons systems ineffective. This is a special kind of information-intensified weapon for waging information warfare.

"Information capability" means the information and information support capability for combat command, coordinated operations, precision strikes, and logistical support that military units need to carry out missions. The equipment basis that supports this capability is the C<sup>3</sup>I system, electronic warfare systems, and precision guidance weapons. A military unit's information capability is a combat capability. Like a precision strike capability, an air defense capability, and a rapid response capability, it is absolutely indispensable to high-

technology warfare and is even the most important combat capability.

The term "information superiority" means the party that has the strongest information capability between two opposing parties in combat. In future high-technology warfare, not only will we have to gain air and sea superiority, but even more important, we will have to win information superiority first of all. Possibly new military terms like "restrict information rights," and "restrict electromagnetic rights" may appear.

Information warfare will be the most diversified type of warfare in the 21st century, and it will also be an important kind of warfare that decides who will win and who will lose the war.

### Information Deterrence

Nuclear weapons appeared at the end of World War II. They were followed by the appearance of the nuclear deterrence concept in military theory. Owing to the appearance of large numbers of high technology conventional weapons during the late 1970's, the concept of conventional deterrence reappeared. Nuclear and conventional deterrence are not just theoretical issues, but real military forces that have a powerful and real limiting effect on a potential adversary.

"Information deterrence" may appear in the future. Since all the weapons used in warfare and the various segments of warfare depend closely on electronic information technology, the power that has a strong information capability and holds the electronic information technology advantage has an overall advantage over the weaker information power. Moreover, if the power having a weak information capability can deliver a crippling attack on the information system of the power having a strong information system, it can likewise greatly decrease the capabilities of the adversary's war machine. In other words, even if two adversaries are generally equal in hard weapons, unless the party having a weak information capability is able effectively to weaken the information capability of the adversary, it has very little possibility of winning the war. Conversely, if one party can effectively weaken the information capability of the other party, even if its capability in other ways is less than that of the other party, the other party dare not take any ill-considered action. These two situations constitute "information deterrence." They are a factor that limits the outbreak of war. Adroit strategic application of one's own information deterrence capabilities constitutes an information deterrence strategy.

### A Combat Command System That Combines High Centralization With High Initiative



The existence of centralized command, decentralized command, echelon-by-echelon command, trans-echelon command, and combined command are all recognized to be necessary, but centralized command and echelon-by-echelon command, are the basic forms of command.

The Gulf War attests that Iraq's highly centralized command system was unsuited to high-technology warfare.

The former chairman of the United States Joint Chiefs of Staff, Army General J.W. Xiaoweixi said: "Our command and control is based on the following principle: Make decisions at the lowest possible level. This not only gives flexibility to the on-the-ground commanders, but it also gives them resources, authority, and responsibility, thereby enabling maximum effective use."

Information-intensified weapons systems create the material conditions for highly centralized combat command at a high level. It enables theater commanders to do across-the-board planning of their tactical moves. During the Gulf War, plans for the daily 2,000-sortie aerial combat missions of the Allied Forces were drawn up by the Air Force information system, and assigned to each country and to each branch of service for implementation. This capability and this trend continue to be strengthened. Information-equipped weapons systems also create material conditions for lower-level high independent combat command. Dispersed C<sup>3</sup>I systems are highly resistant to destruction. They can ensure that lower level commanders receive the detailed combat information that they need, thereby enabling them to make on-the-spot decisions about dealing with ad hoc situations on the basis of the overall combat plans of higher headquarters to gain maximum combat results.

Combat command during the 21st century is certain to be a combination of high centralization and high independence, the number of echelons is bound to decrease, and existing command systems and regulations are bound to be revised.

#### **Smooth Transition from Virtual Weapons and Virtual Battlefields to Real Weapons and Real Battlefields**

"U.S. National Defense Science and Technology Strategy," which was published in 1992, called for the development of seven military technology capabilities, one of which was "synthetic environment." A synthetic environment is made up of a number of simulated systems that are connected to form a network. These simulations correspond greatly to reality. They are able to represent all activities from various theater warfare actions to factory and manufacturing processes. This environment is made completely visual. Operators can immerse themselves completely in the simulated environ-

ment. Any national defense system that has a computer, such as various combat platforms, all kinds of C<sup>3</sup>I systems, and all sorts of models can ultimately be incorporated into this environment for various kinds of network combat simulation. One can create an electronic battlefield by using this synthetic environment and an environment that has a mixture of real and simulated targets from factories to the battlefield. This environment can be used in widely separated locations, thereby enabling subscribers, research and development personnel, and testing personnel to communicate effectively. This environment enables both leaders and combat units to prepare for war, and it accompanies them to the real battlefield.

All the required key technology is electronic information technology. This includes virtual reality technology, which is a technology that employs computer technology to create a simulated imaginary world. It uses computers to generate a simulated world and a three-dimensional visual environment. Operators can visually wander around in this virtual world, and operator actions can change this visual virtual world in real time, thereby producing a feeling of the body entering it. This world may be a weapon, a battlefield, a factory, etc. This environment is very helpful when examining a large volume of problems that require drawing assistance from visual thinking (including visual memories and visual associations). They have broad prospects for military application.

Further development of the "synthetic environment" that the Americans have conceived will provide a unified environment for virtually all military activities including setting requirements for, designing, producing prototype machines for, and manufacturing weaponry; for troop training and war preparedness; for drawing up composite combat regulations; for drafting emergency plans; for post mortem evaluations; and for historical analysis. This will assist a relatively smooth transition from virtual (imaginary) weapons and virtual (imaginary) battlefields to real weapons and real battlefields. It will have far reaching effects on military activities.

#### **Norms for Measuring 21st-Century Military Forces**

Measurement norms for 20th-century military forces have often been portrayed as rather static. They include the number of people in the army, navy, and air force, the types and numbers of weapons, etc. Such static norms will not suffice for military forces during the 21st century.

Since information-intensified military units make full use of all kinds of information, the intensity concept must be introduced. So-called intensity means the number of events occurring within a certain time and space.

The history of warfare shows that real military superiority really means only superiority at certain times and in certain places, or superiority in a unit of time or a unit of space. When one has this superiority, one is victorious within these limits.

#### **1. Firepower intensity and destruction intensity.**

Once an information-intensified military unit discovers the enemy situation, it can make a judgment within a very short time and decide what to do. It can concentrate powerful precision guided firepower to attack the enemy. Its firepower figured in terms of unit of time and unit of space, i.e., its firepower intensity, is unprecedentedly great. The strike accuracy of precision guided weapons is very high. It is far higher than the firepower intensity that noninformation-intensified weapons can attain. Furthermore, although the total consumption of ammunition is very great for noninformation-intensified forms of combat such as blind firing, enemy firepower suppression, and carpet bombing, looked at in terms of the targets of attack, the intensity of this firepower is really very low.

However, the intensity of destruction is a more direct and more basic concept than the intensity of firepower. It connotes the amount of damage done to an attacked target per unit of time and space.

The intensity of firepower and the intensity of destruction of information-intensified military units made up of information-intensified weapons, soldiers, combat platforms, and weapons systems tied together by a C<sup>3</sup>I system is unprecedentedly great. The total firepower that a noninformation-intensified military unit can bring to bear may also be very great, but in terms of "intensity," such a unit's firepower and the damage it causes is very small.

#### **2. Mobility intensity.**

Mobility intensity as applied to combat troops and combat platforms means the distance in space that it is possible to move per unit of time (day, hour, minute, or second). Applied to military units, it means the quantity of combat troops that can move at the same time. The continued development of power technology enables continued increases in the dynamic properties of combat platforms. The continued development of electronics technology makes possible accurate coordination of movement on a large scale. By 2010, global mobile warfare by combined arms armies made up of a mixture of army, navy, and air forces may be possible. A single highly mobile army battalion may be able to defeat two or more low mobility army battalions.

#### **3. Information intensity.**

The special feature of information-intensified military units is full use of information. Information intensity is the amount of information that an organizational unit can use, or prevent the use of, within a unit of time or space. Information intensity is an important indicator of accurate strike, coordinated warfare, command and control, and electronic warfare capabilities. A military unit whose information intensity is very low cannot likely fight a high-technology war. A difference in information intensity between two military forces is bound to translate into a gap in combat capabilities.

#### **4. Supply intensity.**

Supply intensity means the amount of supplies of various kinds that an organizational unit can provide per unit of time to a prescribed area. The total amount of logistical supply for information intensified warfare during the 21st century will likely be less than for 20th-century warfare, but the intensity of supply will increase to meet the requirements of highly destructive and highly mobile warfare.

#### **Educational and Technical Caliber of People in Society Will Be Highest in the Armed Forces**

The human factor will be more prominent in high-technology warfare. Making the most of the combat effectiveness of high-technology weapons and application of correct strategy and tactics will depend on the caliber of military officers and men.

In the future information society, everything will be affected by the extent to which the society uses information. Weapons will become information-intensified weapons; military units will become information-intensified units; and combat will become information-intensified combat. The destructiveness of weapons will increase greatly, but their number will decrease. The combat effectiveness of military units will increase greatly, but their numbers will also decrease. Warfare in general will not only become more a mental than a physical contest in which the technology content is high, but this will also be the case in limited warfare and even in individual soldier combat. This will mean that the educational and technical caliber of military officers in the future information society will have to be higher than that of civil servants in government agencies and also higher than that of corporate managers who are active in a market economy. The educational and technical caliber of ordinary soldiers will have to be higher than that of workers in high-technology industries. Therefore, people having the highest educational and technical caliber in society will be in the armed forces; otherwise, even with information-intensified weapons, defeat in war will be possible.

### Information-Intensified Weapons Also Require Other Technical Support

The contribution of electronic information technology to weaponry is manifested in the following: A very great increase in weapon target accuracy, meaning, "they hit the mark"; a great increase in the ability of commanders to understand their own and the enemy situation; and a great increase in the coordinated combat capabilities of military units. Nevertheless, "fighting fiercely" requires a rise in the might of weapon payloads, and "fighting far away and rapidly" requires a rise in combat platform and payload power capabilities.

Therefore, information-intensified weapons do not rule out the application of other new, high, and conventional technologies, but rather the addition of new technical capabilities to weapons on top of these technologies. Information-intensified weapons require the support of aviation, aerospace, ship and boat, weapons, and military nuclear technology. Overall, core and support technology relationship exists among these technologies. One cannot concentrate on electronic information technology to the neglect of other technologies, nor can one proceed with all equally without any particular emphasis.

### \*Journal Views Political-Military Outlook

95CM0277A Hong Kong KUANG-CHIAO CHING  
[WIDE ANGLE] in Chinese 16 Apr 95  
No 271, pp 30-33

[Article by Leng Mou (0397 4188): "Four Main Directions for Future Development of The Military. Military Held the Balance in the Deng Era."]

[FBIS Translated Text] In a new era, Jiang Zemin proposes new standards for military management and upgrading in stages of the three commands of People's Liberation Army (PLA). Liu Huaqing calls for stability in border environment, strengthening of defense research and development (R&D), and improved organizational structure. The military faces three major issues today, with higher echelons focusing on diplomacy of military exchanges.

### Four Main Directions for Future Development of the Military

In the post-Deng era, it goes without saying that the Chinese military, the "great wall of iron and steel," which ensures stability for the Chinese Communist authorities, will play a very important role.

Latest information from military sources suggest that in the period to come, the Chinese military will develop in at least the following four directions:

1. Maintaining the authority of "Jiang as the core," giving priority to ideological training;
2. Anticipating crisis while at peace, vigorously modernizing national defense;
3. Stabilizing the environment along the borders, increasing exchanges with foreign military;
4. Emphasizing that the military and people are one family, strengthening implementation of projects to promote military-civilian unity.

### Military as "Stabilizing Instrument" in Post-Deng Era

At various forums of the Chinese People's Political Consultative Conference [CPPCC] this spring, Jiang Zemin appeared very relaxed; showing up at meetings of some of the delegations, Jiang not only spoke warmly to the delegates, but even found time to read and to write personal replies to some of the delegates during this "the busiest of season."

### On the Political Stage, Jiang Zemin Already Scored "Five Victories"

Observers believe that the reason Jiang Zemin showed such a seldom-seen relaxed demeanor was because he has already scored "five victories" on the political stage:

First, "Jiang as the core" is recognized and accepted by CPC elder statesmen; as a third-generation CPC leader, he has served nearly six years as general secretary; in that role, he takes charge of ideological and major political directions and is not burdened by specific day-to-day operational tasks; this is a "political victory."

Second, as head of state and of government, Jiang's signature is required for any major political directive to take effect; with his important position in the CPC and as chairman of the Central Military Commission [CMC], Jiang controls the nation's "great wall of iron and steel." This is a "victory of power."

Third, with Deng Xiaoping letting go of power completely because of age and health, Jiang Zemin is able to exercise all powers; on the world stage, advantages China enjoys outweigh disadvantages; domestically, the political scene is basically stable, and in terms of social and economic developments, notwithstanding certain difficulties, progress is still rapid and internationally recognized. This is a "victory of luck."

Fourth, Jiang understands that the key to establishing his leadership position is the extent to which he can contribute on issues which affect China and the Chinese as a nation and a people. After taking a firm stance in the interests of the Chinese people in last year's "GATT"



negotiations, he came out in February with his "eight points" for solving the Taiwan question. It is said that Jiang in the coming days will take other steps on the issue of reunification that will gain even greater popular support. Further, the fiftieth anniversary of the War of Resistance against Japan this summer and the firm attitude he has displayed toward Philippine provocation over the Spratly Islands will help to further consolidate Jiang's position as the nation's leader. This is a "victory of doctrine."

Fifth, Jiang has initiated a series of steps on military management. On the eve of convocation of the "two congresses" in March, Jiang carried out a public relations campaign aimed at the commanders of the three services of the PLA by personally "calling" on the military delegates to the CPPCC at their guest houses and meeting the delegates individually in separate rooms. These military delegates were united in the view that in line with directives of the CMC and the tri-service command, they will maintain a high degree unity with the party Central Committee politically, ideologically and in their action. Before the opening of National People's Congress [NPC], CMC Vice Chairman Liu Huaqing mobilized members of the military NPC delegation to give firm political support to party central authority with Jiang Zemin as the core. When political reports were discussed at the "two congresses," CMC Vice Chairman Zhang Zhen [1728 7201]; Defense Minister Chi Haotian; Zhang Wannian, chief of the General Staff; Yu Yongbo, chief of the CMC General Political Department; and Fu Quanyou [0265 0356 2589], chief of the CMC General Reserves Department, all pledged to adhere to a "unified concept." Namely, "to resolutely obey the command of the party Central Committee and CMC with Jiang Zemin as the core." That Jiang has won the support of the three services is crucial to ensuring a smooth transition in the post-Deng era. This is a "victory in prestige."

In China, the military and politics have always been inseparable, and the party commanding the gun is a "fact of life" in China. The military is a "stabilizing instrument" in China's socialist politics, and the basis for achieving all victories. Mao Zedong considered the soldier-peasant as the basis for victory; Deng Xiaoping has always emphasized the importance of military-civilian unity; and Jiang Zemin recently has proposed to carry on that tradition, to more effectively operate the military as one big educational institution in order to further consolidate political authority and stabilize the society. The most basic condition for Jiang to achieve the above-cited "five victories" is his ability to ensure stability of the military. As long as Jiang is able to continue to effectively sustain his "five victories,"

even though in the post-Deng era a certain amount of turbulence may be unavoidable, his position as the core of political power will be fully protected.

#### **Political-Ideological Indoctrination as Priority Task**

Because it is necessary to manage the military as a "stabilizing instrument," when Jiang Zemin addressed the PLA delegation to the NPC on 10 March, he proposed that the military operating as one big educational institution must seek to effectively educate and nurture all its personnel, beginning by vigorously strengthening ideological-political training and indoctrination.

In his remarks to the NPC military delegation on 9 March, CMC Vice Chairman Liu Huaqing quoted Jiang's guidance in stating that: "We must give great emphasis in the military to ideological and political indoctrination and training, and of all the projects the military undertakes, this should be given the highest priority." Liu Huaqing continued by emphasizing to the NPC military delegates that they "must earnestly carry out" this guidance from Jiang Zemin.

#### **Jiang Zemin Calls For "Effectively Operating the Military as Major Educational Institution"**

Continuing to "operate the military effectively as an educational institution" in the new era represents Jiang Zemin's thinking after he assumed control of the military. This thinking has provided the main framework for ideological and political training which the military will carry out henceforth. According to Jiang, the party Central Committee's thinking on managing the military has the following contents

#### **Criteria for Military Management in Post-Deng Era**

1. Origin of thinking. Jiang Zemin said that Mao Zedong had pointed out that "the PLA should be run like a big school." In a later period, Deng Xiaoping also emphasized that the military should be operated like a big school. Jiang Zemin has indicated he intends to follow the line of Mao's and Deng's thinking by keeping up the tradition, taking into consideration the new, and changing circumstances and effectively managing the military.

2. Goals to be achieved. The goals are: A) To enable all officers and men in the military to study politics, military affairs, the sciences and culture; B) to turn them into high-quality personnel with sound ideology, military skills, specialized knowledge, and correct behavior; and C) to ensure that they are resolute revolutionary fighters while in the military, conscientious workers in society after they are discharged and, in both cases, fulfil the important functions on both battle lines of defending and developing the motherland.



3. Training content. Of the highest priority is strengthening political and ideological training and indoctrination, particularly in carrying out effective programs to teach the value of struggle and perseverance, love of and sacrifice for the country, a revolutionary outlook on life, respect for cadres (soldiers showing respect for their officers), and love of soldiers (officers caring for and protecting their men).

4. Educational methods. In ideological and political education, Jiang pointed out there are several key issues today that need to be emphasized: To understand the current concerns of the officers and men and educate them at different levels keyed to these issues; to guide them to correctly understand the issues on money, fame and privilege, suffering and joy; to clearly draw the line between right and wrong, glory and shame, beauty and ugliness in order to strengthen ideological defenses against "corruption;" and to develop democracy and mobilize all officers and men to take part in education.

5. Jiang called upon those who are responsible for educating others to first educate themselves. Cadres themselves must first clarify their thinking. Officers must set good examples themselves before they try to educate or influence soldiers. As Jiang Zemin said, education by examples is more important than by words, for how can one teach others unless one himself is educated and upright.

6. Jiang also said that to build a good foundation for political and ideological education, officers and men must be guided to concretely probe and analyze military tactics and strategies.

Jiang Zemin's thinking on military management described above very quickly received the endorsement of the military high echelon. The PLA delegation to the 3rd Plenum of 8th NPC, at a delegation meeting on 16 March, focused discussion on Jiang's important remarks concerning operating the military effectively as an educational institution. Li Huaqing, Zhang Zhen, Chi Haotian, Zhang Wannian, Fu Quanyou, and others attended the meeting chaired by Yu Yongbo; nine delegates rose to address the gathering and offered significant comments and suggestions for implementing Jiang's proposals.

On 17 March, Liu Huaqing called the key cadres of the PLA delegation to the 8th NPC to a meeting and pointed out that Jiang's thinking and important proposals on military management provide extremely important guidance for the future in terms of strengthening the military across the board and raising its combat effectiveness. Liu Huaqing named several projects which should be given priority in building the military, and

ranked the project to strengthen political and ideological training and indoctrination ahead of all others.

### **CMC Political Department Took the Lead to "Circularize" the Troops**

On 18 March, the CMC General Political Department, in a circular calling on all troops to study and emulate the spirit of the 3rd Plenum of the 8th NPC, stressed that in carrying out Jiang Zemin's guidance, the military must vigorously strengthen ideological and political training, particularly programs to teach the rank and file the importance of patriotism and service to country, a revolutionary outlook of life, respect for cadres and love of the troops, struggle and perseverance; to guide officers and men to develop a correct outlook on life and concept of values; to insulate them against the corrupting influence of "wine, women and song"; and to ensure steadfastness and ideological and moral purity among the rank and file.

### **"Awareness of Hardship" Necessary for Raising Quality of Rank and File**

In his government work report, Li Peng emphasized that the military must concentrate on building quality. In discussing this issue, the military high echelon called particular attention to the need of increasing awareness of suffering and hardship. Heightening the degree of such awareness while developing quality in the military will show the sense of urgency in the Chinese military for the modernization of national defense.

Observers conclude from this that the Chinese military, laboring under an inadequate military budget, but with perseverance and patience, will strive to develop itself and modernize national defense, and that this will be the direction of development of the Chinese military for a long period time to come.

### **Three Difficult Issues Confronting Chinese Military**

The Chinese military is confronted by three major issues today: Inadequacy of military expenditures, weaknesses of weapons and equipment, and low pay and benefits for the troops. The obstacles posed by the three major issues must be overcome if China is to modernize its national defense. Of the three, inadequacy in military expenditures is the most serious. China is a developing country and at present has to devote significant resources and efforts to economic development, which necessarily limits the amount spent for national defense; the concern of some people abroad about "the Chinese threat" is, therefore, unfounded.

In 1994, China budgeted 55.062 billion yuan for military expenditures and, despite the constant calls of the

higher echelons of the military for "persevering against hardship," actual expenditures were 105.8 percent of the budget, or 58.255 billion yuan. This year, the government defense budget estimate is 62.807 billion yuan, only 4.551 billion yuan more than last year's actual expenditures. If adjusted for inflation, this national defense budget is low and tight.

Even early on, in the era when Deng Xiaoping was running the military, officers and men were admonished to "persevere and be patient" and defer to the priority of overall national development. At the 3rd Plenum of the 8th NPC in March this year, the military again echoed the call of "striving to develop while persevering against difficulties." This is Jiang Zemin's "overall concept" for managing the military. From the concept of "developing by persevering," one can see in Jiang's military management style the new emphasis that it is people who control events and that everything depends on human effort. In terms of "military internal management," Fu Quanyou pointed out on 7 March that the military needs to deal with "four type of relationships," as follows:

First, in the relationship between national defense and economic development, to firmly adhere to the concept of overall needs.

Second, in the relationship between need and feasibility, to strictly go by available resources, not coveting maximum gains or seeking things foreign. The rank and file and all units must establish firm standards of self-reliance, develop the concept of maintenance and get the most use out of the money available, not leaving any gaps nor running into red ink.

Third, in the relationship between what is centrally important and what is of general utility, to concentrate resources and efforts on matters of central importance, and use the limited military budget on the most crucial projects where the money will do the most good.

Fourth, in the relationship between building up the military and supporting local development, to effectively manage both. While concentrating on training and building up equipment for war, the military must also positively participate in regional or local key construction projects, and shoulder important responsibilities for disaster relief and emergency assistance in the local areas.

#### **Zhang Zeng Calls for Development of Sideline Enterprises, Strengthening Self-Sufficiency**

CMC Vice Chairman Zhang Zeng recently pointed out that when Jiang Zemin on several occasions elaborated on the political significance of the military developing a spirit of struggle and perseverance against hardship, that did not mean any lack of concern for the military

livelihood. The military should concentrate on the details of implementation, give priority to what is urgent and important, strictly control military expenditures, increase effective utilization of the military budget and, at the same time, develop agricultural sideline products and strengthen its capacity for self-sufficiency.

#### **Liu Huaqing Calls for Strengthening National Defense R&D, Improved Organizational Structure**

Recently in talking about strengthening and building quality in the military, Liu Huaqing made the following points:

In line with Deng Xiaoping's thinking of developing the military in the new era and the overall requirement of Jiang Zemin's "five remarks," further develop political advantages unique to the military.

Emphasize the nurturing and training personnel in all fields, strengthen scientific R&D in national defense, improve military weapons and equipment and raise the standard of modernization.

Take further steps to improve organizational structure and make the military more scientifically and professionally oriented.

Strengthen the building of quality, focus on effective results, differentiate among the various levels, and strongly guard against empty talk and pretension.

Chi Haotian, talking about strengthening national defense modernization, noted that this year is the 50th anniversary of victory in the world war against fascism and also the 50th anniversary of victory in the anti-Japanese war. He said we must therefore always remember the painful lessons of history and that while working hard to develop economically, we must also develop national defense for never again can we allow that historic tragedy of the Chinese people to be repeated.

Zhang Wannian recently pointed out that China cannot begin to do anything if it does not have a stable and secure environment, both domestically and abroad. The military must therefore develop a strong awareness of possible threats, keep national security constantly in mind, be prepared to protect the country's stability and security, and, on a moment's notice, lead the troops to satisfactorily fulfil any tasks assigned by the Central Committee and CMC.

#### **The Military Actively Carries Out Foreign Exchanges in Search of Comprehensive Benefits**

Exchanges with foreign military are an important channel for gaining comprehensive benefits. Defense Ministry officials in charge of exchanges with foreign military recently indicated that this year the military is pre-

pared to carry out an active program of friendly exchanges with the military of other countries.

What are the comprehensive benefits the Chinese military seeks to gain through foreign exchanges? Military sources reveal the following:

First, stability in the border environment.

Second, resumption of military exchanges with the West.

Third, strengthening of military technology exchange and cooperation.

Fourth, peaceful resolution of dispute over the Spratlys.

At the beginning of this year, General Fu Quanyou visited Pakistan, Bangladesh, and Thailand. Watthanachai Wutthisiri, commander of the Thai armed forces, and Belarus Defense Minister Kastenka also visited China in January. More recently, a Chinese military delegation visited Kazakhstan and Belarus. Chinese military leaders led a delegation to visit Vietnam, Laos, and Indonesia. In February, military delegations from such countries as Pakistan, India, Korea, Burma, Turkey, Kuwait, Nigeria, etc. visited China, while Chinese military delegations visited Australia, Chile, etc.

Last year, China's military achieved significant breakthroughs in developing relationships with the U.S. and other Western militaries. The U.S. visit of Deputy Chief of Staff General Xu Huizi [1776 1920 3320] and the China visit by U.S. Defense Secretary Perry were the first exchange visits of high-level military leadership since 1989, and they mark the gradual normalization of Sino-U.S. military exchanges.

In January and March of this year, Admiral Larson, former commander in chief, Pacific Fleet, and former Defense Secretary Cheney visited China in succession; at the same time, General Zhu Dunfa [2612 2415 3127], president of PLA National Defense University, and Lt. Gen. Xiong Guangjie [3574 0342 2818], assistant to the chief of the General Staff, also made official friendship visits to the United States.

In February of this year, the visit to China by General Nishimoto Tetsuya, chairman of the Japan Defense Agency Joint Staff and Japan's highest-ranking military leader, was a major event in Sino-Japanese military ex-

changes. The visit helped promote the overall development of the military relationship of the two countries.

Rear Admiral Lynne Mason, Canada's vice chief of the Defense Staff, visited China on 14 March, the first visit in recent years by a Canadian military leader.

Sources reveal that high-level military delegations from such countries as Spain, Portugal, Austria, Italy, etc., will be visiting China.

On 17 March, Jacques Langsade, chief of staff of France's armed forces, paid an eight-day visit to China in response to an invitation. This is another noteworthy event in exchanges between the Chinese military and the military in the West, for it is the first China visit since the 1989 incident by an important military leader of a major Western European nation. This visit will have a positive effect on the normalization and development of the Sino-French military relationship and in promoting exchanges between the military of Western European nations and the Chinese military.

An important aspect of the Chinese military's foreign exchange program are exchanges in specialized technical areas. It is said that the Chinese military this year will take steps to expand the proportion of specialized technical exchanges and cooperation with foreign military forces in the areas of education, training, scientific R&D, equipment, and facilities.

#### **Questions of "the Chinese Threat" and Increase in Military Expenditures**

Whenever Chinese military leaders meet with military leaders from abroad, they often have to explain the reason for the relatively large size of the Chinese armed forces and to point out that the Western view of the so-called "Chinese threat" shows a lack of understanding of realities in China. In his 23 March meeting with France's chief of staff, General Langsade, General Liu Huaqing again repeated the explanation he gave other foreign military leaders: The reason China has a 3-million men army today is because of the long coastal and border line of defense and the relative lack of mobility on the part of the military. As the quality of the military is raised, the numerical size will be reduced. Nevertheless, a long period of time will still be required for the Chinese military to truly modernize its national defense.



## General

### \*Labor Ministry Official Views Labor Reform

[95CE0421 Beijing QIYE GUANLI (ENTERPRISE MANAGEMENT) in Chinese 1 Mar 95 No 3, pp 6-7

[Article by Xin Changxing (0207 7022 2502), Policy Legal Office, Ministry of Labor: "Prospects for Labor System Reform"]

[FBIS Translated Text] In 1995, major undertakings were initiated in reform of the labor system, and real progress was made. On the one hand, this fact hinged on the tasks put forward in the area of reform of wages and the social insurance system within the reform of the entire economic system, but especially reform of state enterprises. On the other hand, it even more directly hinged upon the environment and conditions of the basis of labor system reform, as well as the further development of that reform. Analyzing the situation with regard to these two aspects, it is the author's belief that reform of the labor system in 1995 will make considerable breakthroughs in the areas discussed below.

**1. In the process of implementing the "Labor Law," the labor contract system will see across the board advancement; there is hope that the coexistence of the two types of employment systems which has been maintained for so many years will basically dissolve.** After the 1986 reform of the labor system, we implemented a labor contract system for the employment of newly hired workers, but the fixed labor system still existed, and the contradictions and friction between the two systems were very obvious. The optimization of labor combining full contractual employment, contracted management, and so forth, promoted by a great many enterprises since 1987, are simply reform measures chosen to eliminate this type of friction within enterprises. On the basis of synthesizing experience gained in these reforms, the "Labor Law" stipulated that in setting up labor relations, labor contracts should be signed. In accordance with this regulation, both the newly hired employee and the original staff and workers should sign labor contracts when establishing labor relations with an enterprise. This regulation provides the legal basis for the enterprises to carry out the labor contract system across the board and to eliminate the contradictions and friction of the two employment systems.

Looking at the basis of the reform, currently over 45 million staff and workers nationwide are covered by implementation of labor contracts, with all employees under the contract labor system and contracted management. This has set up a fairly good basis and conditions for universal promotion of the labor contract system. For this reason, we should grasp this opportunity, do

our utmost to promote the establishment of the labor contract system and quicken achievement of legalization of labor relations. According to the stipulations of the "Labor Law," the program for and stages of implementation of the labor contract system are to be set forth by the people's governments of the various provinces, autonomous regions, and municipalities, and they are to be registered with the State Council. According to information available, Guangdong, Anhui, and Hainan Provinces have already published their implementation plans, and other provinces are formulating legislation. In 1995, some 80 percent of employees nationwide were under the labor contract system; by the end of 1996, basically the whole country will be implementing the labor contract system.

**2. With the basic establishment of the minimum wage guarantee system, enterprise wage allocation autonomy will come closer to reality.** The minimum wage guarantee system is a legal system in which the worker is guaranteed the receipt of a minimum recompense for his labor. The "Labor Law" stipulates that when the nation implements the minimum wage system, the actual standard of the minimum wage will be set by the people's governments of the various provinces, autonomous regions, and municipalities, and will then be registered with the State Council. Currently, Beijing, Shanghai, Guangdong, Fujian, and Zhejiang have already published their minimum wage standards, and the other provinces and autonomous regions are studying setting minimum wage standards. In 1995, the minimum wage guarantee system will basically be instituted nationwide. The establishment of this system not only will benefit guaranteeing the minimum livelihood of the laborer and his household, protect low income wage-earners, promote the equality of social distribution and equal competition for enterprises, but also will be of help in getting the wage system in line with international practice.

As far as enterprise autonomy in wage allocation is concerned, none of the laws and regulations which China has already promulgated on distribution has been as comprehensive as the "Labor Law." Prior to the enactment of the "Labor Law," the "Regulations Governing Transformation of Operational Mechanisms in Enterprises Under Ownership by the Whole People," issued by the State Council in July 1992, must be counted among the laws which address enterprise wage allocation autonomy relatively concretely. However, its regulations on enterprise wage allocation autonomy are limited to the level of internal enterprise wage allocation, that is, "the enterprise, for the relevant total amount of wages drawn, has the autonomous authority to utilize and allocate wages and bonuses."

The total amount of wages of an enterprise are not independently determined by the enterprise itself, but are "determined by the total amount of wages stipulated by the government and a method linked to economic efficiency."

By comparison, the "Labor Law" stipulations are much more comprehensive on enterprise wage allocation autonomy. Paragraph 47 stipulates: "The employing unit, acting in accordance with the law, on its own authority will set the method of wage allocation and wage levels in keeping with the special characteristics of that unit's production operations and economic efficiency." In accordance with this regulation, the enterprise not only has independent authority to set its internal wage allocation methods, but also has the authority to determine on its own the level of wages; this is obviously a major breakthrough. This regulation is totally in keeping with the requirements of the modern enterprise system and congruent with the direction of enterprise wage system reform. The process of putting this regulation into effect is to simultaneously advance the process of enterprise wage reform. In the course of this process, we must be completely aware of and control the dependent relationship of wage reform to enterprise reform; in accordance with progress in the transformation of enterprise operational mechanisms and establishment of a modern enterprise system, we must rationally control the progress of enterprise wage reform and gradually realize enterprise autonomy in allocation. Under the modern enterprise system, enterprise pursuit of profits will form an inherent constriction on increases in wages, and this, on the microeconomic level, solves the problem of wage-increase inflation. Under these conditions, the responsibility of the government is no longer to worry how to prevent enterprise wage increases from getting out of control, but to prevent, by application of the minimum wage law and other measures, enterprises from pushing wages lower.

However, during the transition to the market economy, because enterprise reform is not yet wholly in place, property rights relationships are not clear, and personal liability mechanisms are inadequate, although following the promotion of such reform measures as the contract operational responsibility system, enterprises already have a certain amount of personal liability and profits already have become one of the goal which enterprises strive to achieve, in a certain sense, at the same time enterprises are pursuing the maximization of profits they are also pursuing the maximization of worker income. In fact, one could say that enterprises are seeking to maximize profits in order to attain the goal of maximizing worker income. For this reason, in the transition period we cannot completely do away with

administrative controls over enterprise wages, and can only give free rein in control of gross wages over time and in categories to those enterprises in which enterprise reforms are in place and income allocation personal liability mechanisms are already working. We should begin with individuals units and then with the many, and finally let go of control over enterprise gross wages for all, or at least the great majority of, enterprises, and realize enterprise allocation autonomy in the complete sense of the words. During this process we must continue to improve and perfect methods of linking labor to efficiency so that increases in enterprise wages can truly embody increases in efficiency. In the 1995 economic system reforms, the main focus is reform of state-owned enterprises; this is an excellent opportunity as far as realizing enterprise allocation autonomy is concerned. We must take advantage of the opportunity, actively push onward with reforms of the enterprise wage system, and swiftly put enterprise wage allocation autonomy into effect. If we do not, progress in wage reform will lag behind enterprise reform and will be a drag on transformation of enterprise management mechanisms and establishment of a modern enterprise system.

**3. Reform of the social insurance system will explore new areas; major progress will be seen in reform of the pension insurance and unemployment insurance systems.** The central economic work committee clearly pointed out that focusing on enterprise reform, we should initiate reform of the social insurance system with pension and unemployment insurance as the main content and establish a totally new, multilayered social insurance system. Why should we put the emphasis on reform of pension insurance and unemployment insurance systems? Because these two social insurance systems are most directly related to enterprise reform. If we do not achieve breakthroughs in these two areas, the enterprises will be unable to break free of the burden of retirees and surplus personnel, and so will be unable to compete equally and to move toward the market without excess baggage, and, naturally, they will be unable to establish a modern enterprise system. In keeping with the needs of enterprise reform, reform of the pension insurance system must be go forward swiftly in a uniform way, and a unified pension insurance system must be put into effect which is suitable for all workers in all types of enterprises. In accordance with the spirit of the "Decision" of the 14th Plenum of the Third Central Committee, we must actively explore ways and means and steps which encompass overall social planning and individual money accounts, and by means of pilot projects, gradually reform and perfect a basic pension insurance cost collection method and methods of calculating and dispensing funds. Reform of unemploy-

ment insurance should see perfection of the system as soon as possible, expansion of the area of coverage, and guaranteed disbursement of unemployment relief funds. We must conscientiously organize and implement the re-employment process to provide unemployment relief and re-employment services to the unemployed and provide guarantees for the establishment of a modern enterprise system.

**4. There will be certain breakthroughs on the flow of surplus personnel in enterprises. Surplus personnel are a huge historical encumbrance blocking the road of enterprises to the market. If this burden is not done away with, it will be impossible to establish a modern enterprise system. In order to solve the surplus personnel problem of enterprises, we cannot stubbornly retain the traditional method of having them absorb the cost of re-employment totally by themselves, nor can we go down the opposite road and simply push the surplus people out upon society. We should differentiate between situations and choose different methods to effect a rational dispersal. As far as enterprise which are operating normally, we should still implement having the enterprise handle resettlement on its own, with society aiding in resettlement as a supplement, according to the principle of guaranteeing the unemployed a basic livelihood. Experience has proven that this type of enterprise has the capacity to absorb a portion or a majority of its surplus personnel by engaging in diversified economic activities and creating new employment positions.**

With regard to enterprises on the verge of bankruptcy or enterprises that are encountering serious operational problems, we should opt for other methods, because these enterprises have a hard time solving the surplus problem on their own. Thus, in accordance with the regulations of the "Labor Law," we can allow them to reduce their staffs. The "Labor Law" stipulates that if the employing unit is nearing bankruptcy and is in the process of carrying out a court ordered reorganization or if it is encountering serious difficulties in its production operations, and truly needs to reduce the number of its personnel, it should explain the situation to the worker's union or to the entire body of workers 30 days in advance, solicit the suggestions of the union or workers, and then, after reporting the situation to the labor administrative department, they may then fire their personnel. With regard to bankrupt enterprises, as far as experience to date has shown, resettlement is the greatest post-bankruptcy problem. In 1995, we will carry out "perfection of the capital structure" on a trial basis in a great many cities and bankruptcy forces will increase. During this process we should

try various effective measures, such as relocation from surplus to deficit areas, retraining for new positions, job recommendations, self-employment, labor exports, and so forth, finding suitable jobs for personnel of bankrupt enterprises to preserve social stability. The proceeds from the disposition of the bankrupt enterprise property, including income from sale of real estate use rights, should first be used in resettling the employees of the bankrupt enterprise.

#### **Authorities To Fight Computer Smuggling**

*OW1406104895 Beijing XINHUA Domestic Service  
in Chinese 0745 GMT 14 Jun 95*

[By reporter Zou Qingli (6760 3237 7787)]

[FBIS Translated Text] Beijing, 14 Jun (XINHUA) — The General Customs Administration and the Electronics Industry Ministry today signed a "Memorandum on Cooperation in Cracking Down on Illegal Activities Involving the Smuggling of Computers, Peripherals, and Other Electronic Products."

In recent years, computer smuggling was quite serious in our country. According to the Electronics Industry Ministry's analysis, 718,000 computers were sold in computer markets nationwide in 1994, and some 60 percent of them were illegal imports. This not only caused the state some 2 billion yuan in lost customs and value-added tax revenues, but also disrupted normal trading order in the computer field, and posed a great threat to the domestic computer industry's survival and development.

According to the cooperation memorandum signed today, the Electronics Industry Ministry will provide timely information to customs offices on industrial policies, domestic and overseas supply and demand, and prices regarding computers, peripherals, and other electronic products, as well as leads on the smuggling of these products. The General Customs Administration will provide timely information on the export and import of these products to the other party, and lay out plans for cracking down on smuggling. Both parties also agreed to adopt measures to encourage enterprises and individuals in the industry to provide leads on smuggling to customs offices. Moreover, they suggested that relevant state departments tighten supervision and management over domestic markets for computers and other electronic products, and ban illegal imports from the market.



**\*Status of Three Gorges Project Reported**

95CE0397b Beijing JINRONG SHIBAO in Chinese  
3 Apr 95 p 1

[Report by staff reporter Yan Ping (3601 1627) and correspondent Zeng Yuming (2582 0056 2494): "The Main Part of the Three-Gorges Project Started in an Overall Manner—Investment for Compensation for People To Be Relocated From the Reservoir Area Reaches 40 Billion Yuan"]

[FBIS Translated Text] After two years of preparation for construction, the main part of the Three-Gorges Project started this year in an overall manner, and the pouring of concrete will start across the board for the main part of the project during the first construction year after the official start of the Three-Gorges Project.

The main construction objectives for the Three Gorges Project this year are to continue to perfect the early-phase preparation work focused on external transportation, gravel, and concrete systems; to make the highway to be used exclusively for Three-Gorges external transportation operational for single-line traffic by the end of the year; to complete the construction of the main cable for the Xiling Yangtze River bridge and of one-third of the steel girders to provide conditions for making the bridge operational in March 1996; basically to accomplish the task of excavation for the inner section of the dam; to proceed with the pouring of concrete for the north-south cofferdam and the temporary locks in an overall manner; and to complete construction of the mole on the left bank and the excavation of the navigation channel under the navigation buildings on the left bank.

It is planned that earth-stone excavation for the Three-Gorges Project will amount to 37 million cubic meters for this year as a whole, constituting approximately 30 percent of the total amount of excavation; the amount of concrete poured will reach 1.92 million cubic meters, constituting approximately 8 percent of the total amount of concrete poured for the entire project. As excavation for the project has entered the stage of mainly excavating hard rocks, with rock excavation constituting over 70 percent of the total amount of excavation, the construction work for the Three Gorges Project will be very demanding this year.

According to a source, construction for the Three Gorges Project will still be governed by a bidding system this year. Bids will be invited mainly for five major items, including the navigation channel under the navigation buildings on the left bank, the temporary locks, the pouring of concrete for the boat elevator, the second-stage excavation of the dam area for the No.

1 to No. 6 generating sets of the Three Gorges Power Station, the second-phase excavation for the permanent locks, and the underground work for the permanent locks. In addition, this year the project will also, in a comprehensive manner, invite international bids for the preparation work for the pouring of concrete for the second phase of the project.

According to a source, since the beginning of preparation for construction in 1993, the Three Gorges Project has contracted out over 680 items of construction work, representing a total contracted amount of over 5.4 billion yuan. Presently, over 10,000 construction workers of over 30 construction enterprises from all over the country are fighting hard day and night on the two banks of the river of the gorges.

**Supplementary report** Estimates of the investment for population-relocation compensation for the population of 1.2 million to be relocated from the Three Gorges reservoir area have been generated. Of the total investment of 40 billion yuan for compensation for the population to be relocated because of the reservoir of the Three Gorges project: 5.351 billion yuan will be for Hubei, 31.555 billion yuan for Sichuan, and 3.093 billion yuan for units administered by the central government. On 23 March, the provincial government of Hubei officially notified the relevant county-administered units as well as units not administered by counties of the amount of investment for compensating the population to be relocated.

According to a source, the 5.351 billion yuan investment for Hubei Province for compensation for the population to be relocated is divided among the four counties of Yichang, Zigui, Xingshan, and Badong; enterprises administered by Yichang City; and units administered by Enshi Prefecture, by the Yangtze River Shipping Bureau system, and by the central government directly; the 31.555 billion yuan for Sichuan is divided among 17 counties and cities, including Wanxian and Fengjie, units administered by the central government directly, and the Yangtze River Shipping Bureau system.

In order to carry out the systems-engineering project of estimating the investment for compensation, a project which affects about a million people to be relocated, in a more thorough and rational manner, the planning and design personnel of the reservoir area office of the Yangtze River Committee went all out and conducted very careful studies; they completed an investment estimate report with nearly 40,000 pieces of data and nearly 80,000 Chinese characters in a few short months.

According to a source, the two provinces of Hubei and Sichuan will formulate county-based plans for the resettlement of the population to be relocated on

the basis of the size of funding indicated by the compensation investment estimates and in accordance with the principle of limited-amount planning; under such plans, each county will be responsible for its own share and for the use of the allocated fund.

**\*Ministry Office Views Needs of Machine Industry**  
95CE0427A Beijing JIDIAN RIBAO in Chinese  
17 May 95 p 2

[Article by Science and Technology and Quality Supervision Offices, Ministry of Machine-Building Industry: "Warmly Congratulate Successful Holding of National Science and Technology Conference Which Offers a Science and Technology Development Strategy Centering Around Improvement of Enterprise Competitiveness to Spur Rejuvenation of the Machine-Building Industry"]

[FBIS Translated Excerpt] [passage omitted]

#### **I. A Look Back at a Decade of Scientific and Technical Work**

[passage omitted] Random sampling of 496 key and backbone enterprises in the machine-building industry shows approximately 9 percent as having joined the ranks of high technology enterprises, and approximately 7.5 percent as having become externally oriented enterprises whose foreign exchange earning exports account for more than half their total sales. Enterprises have become major investors in the development of new products, with enterprises themselves paying 76 percent of new product development expenses. Special technology development organs employing an average of 65 technical personnel have been set up by 66 percent of enterprises. They have a definite capacity for developing new products, each enterprise having developed an average of 5.2 different new products yearly, 85 percent of them at the advanced international level of the late 1970s or early 1980s. Numerous enterprises, particularly key and backbone enterprises in the machine-building industry, and enterprise groups have also made new strides in setting up scientific research and testing bases, which have been notably successful. Following National Economic Relations and Trade Commission approval, enterprise technology centers have been set up in 32 large machine-building industry enterprises or enterprise groups. Thanks to profound advances made in the digestion and assimilation of imported technology, technological transformation, the breaking of new ground in technology, and all-around quality control, the level of manufacturing skills has risen appreciably. Some advanced manufacturing technologies have been applied and have become general practice in production, and a large number of key and backbone enter-

prises have added sophisticated, precision, and high return equipment to key production processes. [passage omitted]

By way of further carrying out the science and technology system reform policy of "holding fast to one end and leaving the whole field open." In 1993, the Ministry of Machine Building Industry issued "Views on Further Intensification of Reform of the Science and Technology System of the Ministry's Research Institute," which set forth a model for development of machine-building industry research institutes. This lay the groundwork for formation of a research and development system having an optimized structure, highly effective crack cadres, a rational distribution, and clear-cut ranks. During the past several years, we have expended a great deal of energy and applied a positive and sound attitude to move ministry academies and institutes into enterprise groups. Using summarization of the experiences of the Changchun Motor Vehicle Institute's entry into a motor vehicle bloc and the Luoyang Mining Institute's entry into a Luoyang mineral bloc, another five very strong institutes have entered enterprise blocs one after another, becoming enterprise technology centers. The Xian Heavy Machinery Institute entered the Baoji Steel Bloc; the Tianjin Copy Machine Institute entered the Tianjin Educational Equipment Bloc; the Beijing Printing Machinery Institute entered the Northerner Bloc; the Luoyang Tractor Institute entered a tractor bloc; and the Wuxi Oil Pump and Oil Nozzle Institute entered a motor vehicle bloc.

Despite the tremendous rise in the overall technological level of the machine building industry during the past several years, it is still at an earlier stage of development than that of industrially developed countries. This shows up strongly in the backward state of manufacturing technology. All industrially developed countries use computer-assisted design (CAD) technology. It is found in more than 60 percent of industrial concerns in developed countries, but in China it is found in only about 5 percent. During the 1950's and 1960's, developed countries adopted premium quality, high return, low consumption technology and equipment, but in China most enterprises still use outdated technology and equipment for production. Sophisticated premium quality, high return, low consumption technology is found in fewer than 10 percent of enterprises. Industrially developed countries commonly use digital machine tools and processing centers. They use soft automation, and they are developing the use of smart technology and integration. Meanwhile China is still at the individual machine automation and hard automation stage. Industrially developed countries pay extremely close attention to the improvement of intangibles such as production patterns and organization and management systems, coming up

with new management ideas and techniques for on-time, improved, and flexible production and parallel operations. They make widespread use of computer-assisted management. Meanwhile, large and medium-sized enterprises in China generally do not make widespread use of scientific management. Only a small number of large and medium-sized enterprises use computer-assisted management to some extent.

The backwardness of manufacturing technology seriously hampers development of the machine building industry. This is manifested particularly in the following ways:

Most technology is imported from abroad. Analysis of the source of 92 representative product technologies that have been developed successfully in recent years shows 57 percent came from abroad. The number of Chinese-developed technologies used to build industries is extremely small. The comprehensive labor productivity rate is low; the quality of machinery products is poor, reliability low, and international competitiveness lacking. Even though China's machinery exports have grown rapidly, the adverse balance between imports and exports remains huge. In 1994, machinery imports totaled \$43.87 billion, or 38 percent of all foreign imports, the adverse balance between imports and exports totaling \$23.69 billion. This included the use of \$23.8 billion of foreign exchange to import products that are the responsibility of the Ministry of Machine Building Industry. In renminbi terms, this is close to the total sales of the Ministry of Machine-Building Industry system for the same year, showing that the machine-building industry is a long way from becoming a mainstay industry. Development of the machine-building industry has not yet truly shifted to a course of reliance on technical progress.

The main reasons for the backwardness of the machine-building industry's overall technological level are: a weak technical development and innovation capacity and lack of reserve strength for development. In the digestion and assimilation of imported technology, it remains at the low level of mastering existing technology and reproducing it in China. It has not moved up to being able to develop products on its own and to having the capacity to create new technology. Investment of money for the development of technology is lacking. It lacks an effective and well-developed mechanism for translating scientific and technical achievements into productivity. Enterprises that are its most crucial segment have not truly become entities for the development of technology. Even though there are numerous reasons for the backwardness of the country's manufacturing industries and technology, one must realize that the lack of sufficient serious attention to the

position of applied research and industrial technology in scientific and technical policy, in investment in science and technology, and in guiding public opinion is one of the important reasons. While emphasizing the development of high technologies such as information technology, biological engineering, new materials, and telecommunications production, society fails to appreciate sufficiently the position of manufacturing technology in the overall building of the national economy and in the overall system for the development of science and technology. It is not enough to depend solely on sophisticated technologies on the leading edge of science for economic development. While emphasizing the development of high technology and paying close attention to basic research, full attention must be given to the development of industrial technology, which is the core of manufacturing technology.

## II. Goals in Rejuvenating the Machine-Building Industry

The ultimate goal in rejuvenation of the machine-building industry is to make it a mainstay industry of the national economy. During the past two years, we have done much work in analyzing the situation that the machine-building industry faces. We have thoroughly studied intensification of reform and acceleration of rejuvenation in connection with the building of a socialist market economy system, put forward machinery and motor vehicle industry rejuvenation plans and industrial policies, and drawn up stage-by-stage rejuvenation goals. The period between now and 2000 is the first stage. During this stage, the focus is on improving product quality and the degree of market satisfaction; on energetic advances in readjusting the product mix; on paying particularly close attention to basic machinery, basic spare parts and components; and on major technical equipment, such as electric power facilities and popular sedans and key sedan components that limit development of the national economy, thereby laying a good foundation for rejuvenation. The period from 2000 to 2010 is the second stage. The goal of rejuvenation during this stage will be to strive to raise the technological level and quality of main products, to fashion a fairly strong self-development capacity, and to form a number of large enterprise blocs on the basis of their economic size and organization of production and their international competitiveness so that the machine building and the motor vehicle industries truly become mainstay industries in the national economy. Realization of the above goals requires true reliance on scientific and technical progress.

In connection with the goal of industrial rejuvenation, the technology development goals of the machine-



building industry science and technology plan are as follows:

To narrow the gap between the level of technology of China's main products and the world advanced level from the present approximately 20 years to around 15 years by 2000, and to around 10 years by 2010. By 2000, the main products of large backbone enterprises (or groups) producing key products should be upgraded and updated. Forty percent of the main kinds of machinery products should reach the level of the late 1980's and the early 1990's, and 5 percent should reach the present world advanced level. By 2010, 70 percent should have attained the world level of the late 1990's and early twenty-first century, and 10 percent should be approaching or have reached the world advanced level at that time.

During the Ninth Five-Year Plan, energies should be concentrated and emphasis placed on the organization of a number of major scientific and technical projects to meet machine-building industry rejuvenation goals and the needs of the national economy. Energies must be concentrated on attacking a number of key and critical technologies to enable China to provide most of its electric power equipment and modern agricultural facilities, and so that most of the electromechanical products needed for metallurgy, mining, petroleum, coal, communications, and transportation construction projects come from within China. We must begin to change the situation in which basic machinery and parts lag far behind whole plant and major machine development. Production of basic parts and basic machines must be increased to satisfy 70 percent of needs, the digital control rate of machine tool output must be increased to 12 percent, and the output value digital control rate must be increased to 40 percent. Two hundred advanced technology and high technology products must be industrialized, with the value added of high technology products accounting for 20 percent of the gross value added of the machine building industry. By 2000, product design, precision, ultra-fine processing, precision forming, laser processing, surface modification and coating, and technologies such as comprehensive automation of manufacturing industry and industrial processes and systems management should be at the level of developed countries during the late 1980's, with the gap with developed countries narrowed from 20 to 15 years. The contribution of technological progress to the increase in machine-building industrial output value should reach 45 percent.

### **III. Planning Emphasis For Machine-Building Industry Scientific and Technical Work During the Ninth Five-Year Plan**

1. Scientific and technical development strategy that emphasizes improvement of enterprise competitiveness.

In view of practice in the development of reform during the past several years, and in order to meet needs in developing a socialist market economy, during the 1994 machine-building industry science and technology work conference we established a "Scientific and Technical Development Strategy That Emphasizes Improvement of Enterprise Competitiveness," which makes clear that "the main battlefield for machine-building industry scientific and technical work is in enterprises." Enterprises must become, as rapidly as possible, the main players in the development of technology. Conceptually, this is a major change and a leap in understanding.

Under the planned economy, the role of China's enterprises in the development of technology and in technical progress was skewed. The main battlefield of scientific and technical work was not in enterprises. Although we have gradually come to realize in recent years the source of this hiatus between science and technology and the economy, and that it seriously hampers the translation of science and technology into real productivity; and though we have made a series of reforms in the science and technology system, this skewed role has not yet been completely reversed. The main battlefield of scientific and technical work has not yet truly shifted to enterprises.

Under a market economy, the main entities in market competition are enterprises. This means that enterprises must be the main players in scientific and technical progress and in the development of technology. Only when enterprises develop and enterprise competitiveness improves greatly can industry develop. The ability of a country's machine-building industry to compete internationally depends on whether it has a number of enterprises having an advanced level of technology and a system for creating technology to serve them.

In light of this new strategic thinking, we have taken the following actions:

—Organized a 100-enterprise technical progress teaching project.

After thorough investigation and study and wide solicitation of views, the Ministry of Machine-Building decided to launch throughout the machine-building industry a teaching project on technological progress in enterprises. The goal of this project was to spur enterprises to

set up technical progress mechanisms in which the market, scientific research, and production are parts of an integrated whole to improve enterprises self-development capabilities and the level of their manufacturing technology, enterprises thereby becoming the main players in the development of technology. Thanks to the pedagogical role of this teaching project, the spread from single points to a broad area stimulated a step upward of work on scientific and technical progress throughout the industry. This was an exploration of the function of government agencies that improved macroeconomic guidance to enterprise work on technical progress.

Acting according to the principle of voluntary participation, selection of the best, and moving forward across the board, we picked 100 demonstration enterprises for level-by-level advance. We envisioned that after three to five years effort, the level of the leading products of some demonstration enterprises would approach or meet the world advanced level, that their overall strength and competitiveness would increase greatly, and that they would enter the ranks of large world enterprises in the same industry. Most of these demonstration enterprises will maintain leading positions domestically.

—Supported founding of an enterprise technology center.

The entry of a research institute into an enterprise is a powerful means of improving the technology-development capacities of that enterprise. However, most large and medium-sized enterprises must depend on the transformation of their own mechanisms, on increases in investment in science and technology, and on increases in scientific and technical manpower. Vigorous support for large enterprises' founding a high level technology center was an important action taken. Not only did we work with the National Economic Relations and Trade Commission on the building of 32 enterprise technology centers, but we also selected a number of enterprises to serve as key points for supporting the founding of technology centers.

—Science and technology development plans must give substance to the idea that enterprises are the main players in the development of technology.:

We made clear that all science and technology development plans having to do with the machine-building industry during the Ninth Five-Year Plan must meet enterprise needs, and we actively encouraged and guided enterprise participation in these plans. We actively promoted a combination of enterprises, scientific research institutes, and institutions of higher education, enterprises thereby becoming the main users, developers, and investors in science and technology.

Industries under the Ministry of Machine-Building Industry have imported 1,233 advanced foreign technologies, which have played a major role in accelerating development of the machine-building industry. Regrettably, digestion, assimilation, and innovation have not kept pace. Most projects have not served to shape a domestic self-development and technology creation capacity; thus, a cycle of imports leading to more imports leading to still more imports has ensued. In order to change this situation, we used the summarization of successful experiences both at home and abroad as the starting point for selecting 500 imported technologies from among the technology projects that enterprises will import during the Ninth Five-Year Plan. Then we drew up technology innovation plans, effectively digested and assimilated the technology, and performed a second development and innovation, finally forming an enterprise technology creation capability.

—Incorporate into the industry's key work plans technical progress made on township and town enterprises and the three kinds of partially or wholly foreign-owned enterprises.

We believe that enterprises as the main players in the development of technology means not only large and medium-sized state-owned enterprises, but also includes township and town enterprises and the three kinds of partially or wholly foreign-owned enterprises. During the past decade, township and town machine-building enterprises have become a new emerging force. They have become a major part of the national economy. They have a strong market competition awareness, they are eager for technology, and they have a built-in motivation for pursuing technological progress. Increasingly, they provide state-owned large and medium-sized enterprises with spare parts and components. Thus, they are closely associated with the overall quality of the machine-building industry. Their urgent current need is for information and skilled manpower. We demand that machine building agencies at every level pay close attention to the development of township and town enterprises, urging along their technological progress. We will do more to build a technical support system, including productivity promotion centers. Foreseeably, a number of better than ordinary township and town enterprises will surpass state-owned large and medium-sized enterprises in the same trade to become stars and "small giants" among the world's advanced industries.

2. Make vigorous development of manufacturing technology the emphasis of scientific and technical work in the machine-building industry.

Manufacturing industries are a mainstay in the development of the national economy and an important source

of national economic income. In both industrially developed countries and newly industrializing countries, manufacturing industries have always held an important position in the national economy as a whole. However, since the 1970's, because of the effect of the third wave [di san lang chao 4574 0005 3186 3390], economists in some countries have termed traditional manufacturing industries "sunset industries." An effort is underway to shift the center of economic development from manufacturing industries to tertiary industries, notably service industries. Influenced by this trend of thought, labor costs in these countries rose and productivity fell. The international competitiveness of manufacturing industries weakened greatly. During the mid-1980's, this trend of thought also spilled over into China, damaging development of manufacturing technology.

During the past 10 years, thanks to the analysis by a number of experts of the reasons for the increase or decline in the competitiveness of individual countries in international competition, every country has gained a new appreciation of the status and role of manufacturing industries. With the rapid development of science and technology and changes in the manufacturing climate, particularly the widespread application of high technology represented by computer and information technology, numerous techniques are available for the renovation of contemporary manufacturing industries. Major changes are underway in manufacturing industry production technology, methods, and scale. The advanced manufacturing technology that has resulted from the marriage of high technology with traditional manufacturing technology has attracted the close attention of all countries. Manufacturing technology is the technological foundation for the survival and development of manufacturing industries and the national economy. It is the interface, the bridge, and the conduit through which achievements in high technology find application. It is the most basic way of improving the international competitiveness and creative capacities of enterprises. One might say that in future competition, those who master advanced manufacturing technology first and who master the market, will be the ones in an unassailable position in international competition.

The machine-building industry is an important integral part of the manufacturing industry. It also carries an important responsibility for providing manufacturing industries with manufacturing equipment, and it plays a decisive role in promoting development of advanced manufacturing technology. The above analysis of the state of science and technology in China's machine-building industry suggests that the energetic development and spread of the application of advanced manufacturing technology will be an emphasis for a long

time to come in the scientific and technical work of the machine-building industry.

3. Move ahead actively and steadily with the entry into enterprise blocs of large academies and institutes under Ministry of Machine-Building Industry jurisdiction to infuse new energy into the research and development work of enterprises.

The main goal of reform of the science and technology system of the Ministry of Machine-Building Industry is to establish a new system that is in keeping with development of a socialist market economy, in keeping with the laws of development of science and technology itself, and that closely links technology and the market. For some time to come, the emphasis in the intensification of science and technology system reform will be on the following:

First is closer involvement of research institutes with the economy and industry. We must continue to move ahead with the entry of qualified research institutes into large and medium-sized enterprises or enterprise blocs that play an important role in industry, making them the technology centers of enterprises. We must urge research institutes in which suitable conditions exist to operate scientific and technical enterprises under many different kinds of ownership and operating styles. Large institutes having plentiful resources should use to the full their multiple scientific and technical advantages to form scientific and technical enterprise blocs of various sizes.

Second is moving ahead with readjustment and reorganization of the scientific research system, starting with the building of a new scientific research system in the machine-building industry. Division of this system into four parts is envisioned as follows:

—A national contingent engaged in research and development of basic technology and general technology. We must aim for and found institutes that are national research institutes in fact as well as in name for the formation in combination with research forces in institutions of higher education of a main force for research work in basic and common technology.

—High technology industrial groups that combine technology, industry, and trade that are made up primarily of national-level engineering research centers, engineering technology research centers, and engineering college-operated high technology enterprises.

—Technical centers in large enterprises and entrepreneurial blocs.

—Scientific and technical consulting, technology promotion, information service, and specialized training



scientific and technical service industries that provide services to society for payment.

#### **Shaanxi's Coal, Oil, Natural Gas Deposits Noted**

*OW1406105995 Beijing XINHUA in English  
0930 GMT 14 Jun 95*

[FBIS Transcribed Text] Xian, June 14 (XINHUA) — Daliuta in northern Shaanxi used to be a sleepy town where the idea of modern transportation was somewhere in the remote future.

That was ten years ago. Today, it is not only a bustling town with 40,000 people coming and going, but also the focus of worldwide attention with China's largest coal, oil, and natural gas deposits.

According to Wang Guimin, an official with the Ministry of Coal Industry, northern Shaanxi has some 200 billion tons of coal, one-third of China's total, in an 80,000-square-kilometer area, and China's largest coalmine, thought to be one of the eight largest coalmines in the world.

The area now has proven reserves of 200 billion cubic meters of natural gas with possible reserves of four trillion cubic meters, about 11 percent of the country's total, making it the largest natural gas field in China or one of the largest in the world.

Proven oil reserves amount to 350 million tons, with 1.1 billion tons in possible reserves.

"Lying close to the surface of the earth and easy to get to, the oil is lighter and much better than that of Daqing, Shengli, and Zhongyuan, the three largest oilfields in China," said Fei Anqi, senior engineer with the China National Petroleum Corporation.

Fei says that it is difficult to find a place anywhere in the world where coal, gas, and oil reserves can be found concentrated in one place, and adds that it has convenient conditions for development of energy with a high industrial value.

The increasing demand for energy in China's rapidly growing economy and China's policy shift from the east to the west in basic industries means a bright future for large-scale development of energy resources in northern Shaanxi.

"You have two treasure troves which China can rely on in the next century," opined Chinese Vice-Premier Zhu Rongji during an inspection tour of the coalmine and natural gas field in northern Shaanxi.

According to a forecast by the State Planning Commission, coal will still remain China's major energy source for a relatively long period of time. By the year 2000, the country's annual coal needs are expected to hit 1.5

billion tons while existing output stands at 1.1 billion tons.

Meanwhile, coal reserves in eastern and central China are running low, it becomes more important for the west to make a faster development of new mines.

The coalmine in northern Shaanxi is located at the juncture of central and western China. An expert with the Chinese Academy of Sciences points out that northern Shaanxi will undoubtedly become the ideal coal source for the next century since more than one-tenth of China's coal supply will come from the area early next century if the development is stepped up.

In light of the importance of coal here, the Chinese government has begun massive construction of a power station, a railway line, and a port. With an investment of 60 billion yuan, the province is building an advanced energy base which can produce 60 million tons of coal each year by early next century, said Xie Jiangwu, a senior engineer with the Department of Coal Industry in Shaanxi Province.

At present, seven modern high-yield pits with 15 million tons of total production capacity are being dug in the Shenfu Coal Mine, China's major mine in northern Shaanxi.

The construction of a gigantic natural gas field has already been approved by the State Planning Commission, and a project to develop a way to pipe the gas to Beijing, Xian, and Yinchuan is under way.

A chemical plant with an annual capacity of 30,000 tons of methyl alcohol is in operation and a nitrogen fertilizer plant will begin production later this year, while a synthetic ammonia plant is being planned.

The northern Shaanxi oilfield can produce over one million tons of oil and has a processing capacity of nearly two million tons. Oil exploitation and processing have become major revenue sources for local cities and counties.

Energy development has prompted the development of related sectors such as communications, electric power, and telecommunications. Two major railways transporting coal from the mine to other parts of the country are in operation and another two railway lines are being built to link the area with Huanghua port, a major coal transportation hub in north China's Hebei Province.

A number of large thermal power stations are being planned as well. By the year 2010, the area is expected to have a capacity of 7.7 million kilowatts and will become a power production base for north and northwest China.

**\*Significance of Beijing-Kowloon Rail Line Viewed**  
95CE0397a Beijing ZHONGGUO XINXI BAO  
in Chinese 7 Mar 95 p 2

[Article by staff reporter Wang Ling (3769 3781): "The Beijing-Kowloon Railroad: A Dragon Is Flying Over China"]

[FBIS Translated Text] The Beijing-Kowloon railroad, like a giant dragon, started from Beijing, swept through the nine provinces and municipalities of Beijing, Tianjin, Hebei, Shandong, Henan, Anhui, Hubei, Jiangxi, and Guangdong, and will arrive at Kowloon this year with track-laying completed for the entire railroad, after travelling a distance of 2,381 km over a period of over 1,000 days and nights.

According to recent Railroad Ministry statistics, for the northern section of this immense artery—from Beijing to Fuyang, Anhui—track-laying for the left line has been completed and track-laying has been completed for over half of the right line. Track-laying has been completed for the left line of the connecting line from Tianjin to Bazhou; the section from Shangqiu to Heze became operational for transport diversion ahead of schedule in August last year. As for the middle section—from Fuyang, Anhui, to Xiangtang, Jiangxi—work originating from three places—Fuyang, Jiujiang, and Wuhan—is proceeding simultaneously. Track-laying in the amount of 385 single-line km has been completed; in this respect, track-laying for the connecting line from Wuhan to Macheng has been completed. As for the southern section—from Xiangtang, Jiangxi, to Shenzhen, Guangdong—track-laying in the amount of 100 single-line km has been completed south of Ji'an; track-laying has been completed from Longchuan to Longchuanbei and from Changping to Pinghu.

**A Gigantic Stroke, an Immense Artery**

Railroad Minister Han Zhubin said the following: "Railroad bottlenecks have confounded us for many years; the first big battle for achieving a turnaround in the railroad situation is the one at the Beijing-Kowloon railroad. The three-year decisive battle does not consist of the Beijing-Kowloon railroad alone, but the Beijing-Kowloon railroad is of a representative nature. After the three-year battle, we will be in a situation similar to that facing the People's Liberation Army engaged in the strategic counteroffensive during the Liberation War and the railroads will have entered a period of a historic turning point."

As shown in our country's railroad history, 548 km of railroad was constructed during the Fifth Five-Year Plan period, 478 km during the Sixth Five-Year Plan

period, and 349 km during the Seventh Five-Year Plan period; and 1991 only saw a little over 100 km of newly constructed railroad. The result? Presently stockpiled goods waiting for freight trains amount to 150 million tonnes; the shortage of north-south railroad-transport capacity amounts to over 60 million tonnes. There is even less need to mention the enormous passenger-transport shortage. The bottleneck constraints caused by the insufficiency in railroad development are constraints on the development of the economy. Railroads are loudly calling for development.

The State Council steering group on the construction of the Beijing-Kowloon railroad, headed by Vice Premier Zou Jiahua, was established on 20 February 1993; since then, many people have been fighting hard along the Beijing-Kowloon railroad project day and night, and the people across the country have begun to observe the Beijing-Kowloon railroad project carefully. Try to picture this to yourself: The Beijing-Kowloon railroad is connected to such railroad lines as the Beijing-Shanghaiguan, Beijing-Baotou, and Beijing-Taiyuan lines in the north; crosses such railroad lines as the Shijiazhuang-Dezhou, Jinan-Handan, Xinxiang-Shijiugang, Lanzhou-Lianyungang, and Zhejiang-Jiangxi lines; is connected to the Tianjin-Shanghai and Beijing-Guangzhou railroads through the Tianjin-Bazhou connecting line and the Macheng-Wuhan connecting line; shares tracks with the Guangzhou-Meixian-Shantou railroad in the south; crosses the Yellow River, the Huai He, and the Yangtze; and runs parallel to the Dong Jiang and the Gan Jiang. Like a spine, it links up all the ribs. After the completion of construction, the Beijing-Kowloon railroad can add around 70 million tonnes in transport capacity each year. The Beijing-Kowloon railroad can be described as a large blood infusion given at a time when our country's economic arteries are suffering from a lack of blood and anemia.

**Immense Artery, Enormous Development**

The significance of the Beijing-Kowloon railroad is far from being confined to transportation; it will become a turning point that stimulates economic takeoff. As Vice Premier Zhu Rongji said: "We should not treat the issue of railroads in an ordinary manner, but should view it as a strategic issue for economic development. This is truly a strategic issue; the situation is just like the situation surrounding the strategy of advancing to Dabie Shan adopted by the Liu-Deng army in those years; it is necessary to regard railroad development as a major strategic step. Once railroad development is achieved, this move will give life to the entire chess game of the economy."

"To be rich, it is necessary to build railroads first." The two railroad arteries of the Beijing-Guangzhou and Beijing-Shanghai railroads on the two sides of the Beijing-Kowloon railroad have in fact already become two spines prominent in the Chinese economy. The two years of practice of building the Beijing-Kowloon railroad have again provided the best evidence. The construction which began in 1993 across the entire railroad has injected life and vigor into the economy of the areas along the railroad.

The areas along the Beijing-Kowloon railroad include 98 counties and cities in nine provinces and municipalities; the areas affected by the railroad total approximately 500,000 square km and have a population of 70 million. Most of the areas are less developed areas in central and east China. However, in fact, those areas are mostly rich in natural resources, such as the North China plains, the Hubei-Hunan-Anhui mountain region, the Yellow River and Huai He plains, the Gan Jiang valley, and the Zhu Jiang delta, which are all rich agricultural production areas. The areas along the railroad contain proven deposits of over 90 minerals, including gold, iron, copper, zinc, tungsten, and molybdenum; there are also rich petroleum and coal deposits; and many non-metal minerals are also ripe for exploitation. There are also very abundant labor resources. However, those areas, especially such old revolutionary areas as central Hebei, Dabie Shan, Jingang Shan, and east Guangdong, are seriously lagging behind in economic development and have thus been poor areas with rich resources. The main reason for the failure to get rid of poverty is a lack of transport links.

The completion of the Beijing-Kowloon railroad will inject vigor into the economic development of the areas along the railroad or even of the country as a whole. Currently foreign investment is gradually moving northward from Guangdong along the Beijing-Kowloon railroad. It is fair to state that the construction of the Beijing-Kowloon railroad will be a very good opportunity, that large areas along the railroad will actively take advantage of this east wind to promote comprehensive economic development, and that areas along the Beijing-Kowloon railroad can very well become the longest economically developed tract of land in China.

### Finance & Banking

#### Office To Improve Tax Administration Set Up

OW1406082395 Beijing XINHUA in English  
0803 GMT 14 Jun 95

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — The Chinese capital has set up a procuratorial office to strengthen the local tax administration and law enforcement, official sources said here today.

The office which was set up by the Beijing Municipal Procuratorate and the Beijing Local Tax Bureau, will coordinate efforts by the city's procuratorial offices and local tax agencies to clamp down on tax evasion.

The office is expected to help fully implement China's new tax system which was introduced early last year.

Beijing's procuratorial offices at the district and county level handled 63 tax evasion or willful avoidance cases up to April, helping to save a total of 6.22 million yuan (about 740,000 US dollars) in potential losses.

"Cracking down on tax-related crimes is still an arduous task," said Yang Xiaochao, a deputy director of the Beijing Local Tax Bureau.

A municipal tax inspection between last October and March of this year netted 110 million yuan (about 13.1 million dollars) in tax payments, Yang said, adding that the newly established office will certainly help improve tax law enforcement in the capital.

#### \*State Statistics Director Comments on Exaggeration

95CE0380A Beijing ZHONGGUO XINXI BAO  
in Chinese 16 Mar 95 p 1

[Article by staff reporter Meng Yiming (1322 0001 7686): "Don't Let Floating Clouds Obscure Vision—Zhang Sai, Director of State Statistical Bureau and Deputy to National People's Congress, Analyzes Work Style of Exaggeration"]

[FBIS Translated Text] Recently, a negative, corrupt cancer detested by our fellow countrymen has been a specific, special manifestation of a drawn-out trend—practicing fraud and engaging in the work style of exaggeration.

At the opening session of this National People's Congress [NPC], in Premier Li Peng's government work report there was this eye-catching passage: "For some time, in some localities and units there have been serious cases of practicing fraud and engaging in the work style of exaggeration; this is extremely harmful and it really must be stopped!" Thus, it has been shown that the work style of exaggeration has reached a fairly serious degree and that the alarm must be sounded!

At the Beijing Hall of Labor, Zhang Sai [1728 1049], deputy to the NPC and director of the State Statistical Bureau, discussed with this reporter the extent, origin, and harmfulness of the current practice of fraud and work style of exaggeration.

"From officials come data, and from data come officials"—distorted interest mechanisms cause a



**vicious circle, making it difficult for peaceful and quiet places to be truly peaceful and quiet**

Statistical data that reflects the state of the national economy and the movement of its development are called "barometers" and "indicators," and they play an extremely important guiding role on macroeconomic policy making. This peaceful and quiet place has recently been subjected to outside interference and tarnished. Director Zhang Sai briefed me: Last year, major all-China law-enforcement investigations alone uncovered a little over 2,000 illegal acts of fraud, causing the quality of supplied statistical information to be poor and increasing the danger of its lacking accuracy.

From a look at the results of investigating several main statistical indices, we see that for industrial output value, particularly township-town industrial output value, there were false reports and exaggerations; for birth population and capital construction investment there were concealed reports; for grain reserves there is a situation in which there are records but no grain; but for grain output, peasant per capita net income, price indices, and natural population growth, because throughout the country sample survey data are used, the data basically reflect objective reality. In addition, concealed wage totals and false reports on grain- and cotton-sown areas occur from time to time at some places. The abovementioned unlawful acts are repeatedly prohibited but they do not stop, and in certain areas they even constantly spread and forgery has reached a shocking point!

"Over level ground a gust of evil wind blows," and it is difficult for a just and peaceful place to remain so. Then what is the source of the growing work style of exaggeration? Analyzing this, Director Zhang Sai said that the main cause of the spread of the work style of exaggeration is that the leaders of some localities, departments, and units are driven by interest mechanisms; muddling numbers by exercising their authority, they seek private gain, and other statistical illegal acts are increasing day by day.

The central authorities put forward the policy of "grasp the opportune moment to accelerate development," but when implementing this policy some localities become hotheaded and overanxious for quick results. They blindly put out many grandiose slogans, formulate plans that are divorced from reality, and also raise the stakes level by level; and, with regard to the signing of certificates of responsibility for management by objective, with assessments, rewards, and penalties as the main basis for promoting cadres, they debase "management by objective" by having honor or disgrace, promotion or demotion of leading cadres be decided by one number.

Waiting until the end of a year, when it is difficult to immediately fulfill the responsibility objective, some party and government cadres or responsible persons of enterprises, under the pretence of struggling for the fame and position of their own region, department, or unit, do not scruple to defy the law by tacitly consenting to, hinting at, and even openly inciting, instigating, or coercing their subordinates to make false or deceptive reports. In particular, when certain persons who practice fraud for both fame and gain, they think of taking a "shortcut to success" by "bragging about their superiority to become part of the gentry." Thus, in some localities and departments there is formed the vicious circle of "data comes from the official, and the official comes from the data."

Data falsification does the utmost harm! Director Zhang Sai solemnly and justly pointed out: The harm done by certain statistical data being partially inconsistent with the facts is extremely serious. First of all, ideologically this seriously violate the party's ideological line of seeking truth from facts, thereby causing the theory that only the will counts to run rampant and undermining the party's fine traditions and work style. Next, politically it seriously damages the images of the party and the government, abets the spread of local departments protectionism and out-and-out egoism, and damages the overall interests of the masses of people. Finally, economically it seriously affects the scientific nature of state macroeconomic policy making and the effectiveness of macroeconomic regulation and control, and it is difficult to estimate the damage it causes to economic reform. Therefore, a fraudulent act on statistical data is an extremely serious and negative act of corruption, and its harm is not less than that of graft, bribe-taking, and other economic crimes!

Such fraudulent practices—these serious negative phenomena—have already drawn a high degree of attention from the party Central Committee, State Council, and NPC. At last year's Fourth Plenary Session of the 14th CPC Central Committee, Comrade Jiang Zemin pointed out: "For a period of time, the unhealthy tendency of making false reports and exaggerations, practicing fraud, and engaging in formalism has been growing in some localities and some departments...This work style harms the state and the people, and adversely affects the party's cause. The masses of people abhor it."

Past experience, if not forgotten, is a guide for the future. In a serious tone Director Zhang Sai told this reporter: In the history of our country, there have been bitter lessons drawn from making too large exaggerations and from suffering calamities because

some people sought an undeserved reputation; how can such lessons not be profound?!

**"When soldiers come the general is sheltered, when water comes the land is covered"—the State Statistical Bureau depends on two "magic weapons" and makes every effort to protect with accuracy this fundamental lifeline**

Seeing that in some localities and departments acts of fraud are becoming more and more acute, the State Statistical Bureau, which is in charge of China's statistical work, fully realizes that the problem of data being partially inconsistent with the facts and their quality being "diluted" has become a prominent manifestation of the main contradiction in current statistical work.

"When soldiers come the general is sheltered, when water comes the land is covered." Director Zhang Sai said that, focusing on external information, the State Statistical Bureau has always put the gathering of accurate statistical data in the chief position, expending a lot of effort and doing arduous, painstaking work and explorations with abundant results. Under the circumstances of coping with an additional degree of difficulty, it ensures the basic accuracy of China's main statistical data, so that since reform and opening up to the outside world began the occurrence of errors has never been a significant tendency. In his briefing Director Zhang Sai said that the fact that the main reason that the State Statistical Bureau is able to maintain the accuracy of its statistics—this fundamental lifeline in statistical work—is that it has in hand two big "magic weapons." They are: First, dependence on science and technology; second, dependence on the legal system. It exercises comprehensive quality control over its statistical data.

—Dependence on science and technology entails several links, including statistical designing, statistical surveying, data processing, and quality checking, in exercising quality control over its statistical data. Before nationwide statistical data are formally issued, they must pass "four checks":

First, scientifically design a system of statistical indices, and exercise comprehensive control over the quality of statistical data. In 1992, China began to distribute and implement a new accounting system for the national economy; in 1993, it put into effect a new statistical reporting system and a new statistical indices system that could reflect the movement of the market economy and that possessed a strong unifying function; last year the State Statistical Bureau went on to propose establishment of a multimethod, comprehensive operational system of statistical survey methods that has as its basis periodic general surveys, has as its main part sample survey methods, and is supplemented by a key-point

sample survey method, and this system is now in the process of being put into practice. It may be said that by having a new accounting system for the national economy and a scientific system of survey methods, we can discover the crux of the problem of quality in statistical data, and find the direction, key points, and methods for its solution, so that major problems will not crop up in statistical data on a large scale.

In particular, since the beginning of reform and opening up to the outside world, the sample survey method has been widely applied in China. Grain output, price indices, per capita income of city residents and peasants, population movement, and other surveys of the entire country, the sampling method is used. For example, in China's grain output, on the basis of taking 857 counties as the sample, the survey is carried out by making three seasonal divisions—summer grain crops, early rice, and autumn grain crops. The survey selected 17,000 village teams, 329,000 pieces of land, and 2.359 million sample outputs of actual harvests that cleared the land; calculations were then made. The price indices were selected from 580 counties and cities in China, where the prices of 353 kinds of commodities were surveyed and calculated by survey units, amounting to more than 10,000, both state-run stores and trade fair markets. People's incomes were obtained by taking the income and expenditure accounts of 67,000 peasant households and 33,000 households of city and town residents.

Director Zhang Sai told this reporter that by using the sample survey method, nationwide statistical data can be separated from local statistical data. This data is not simply added in with the data of villages and townships, and is also not simply added in with the data of counties and cities, and some of this data is even not simply added in with the data of provinces (autonomous regions and municipalities). Nationwide statistical data only relates to the situation in the sample units, and the non-sample units, no matter how much fraud is practiced in the statistical data, do not in the slightest affect the nationwide statistical data. Therefore, the main statistical data on the people's life are true and trustworthy, and this point has been affirmed by the party and the state. Recently Premier Li Peng in a written instruction stated: There is no doubting the truth of the price indices.

Second, strengthen the management of the statistical survey process and resist any kind of interference. The state statistical system has, from top to bottom, a statistical information network that is spread all over China, thereby ensuring the accurate, unobstructed flow of information. To avoid interference that could be encountered in the process of reporting the sample survey data to the higher authorities, the State Statistical

Bureau has set up a directly subordinate urban and rural socioeconomic survey contingent, and an enterprise survey contingent is being formed.

On the basis of organizational guarantees, and later through a complete set of regulations for professional and technical operations, technical errors can, as much as possible, be avoided in the process of making a statistical survey.

Third, by depending on modernized methods, put an end to errors in statistical data processing. The statistical departments at the county level and above in China have basically put into practice an operation that depends on computer processing of daily statistics, an operation that not only can basically put an end to technical errors in every link of processing, transmitting, and providing statistical data, but can also with high efficiency test for logical errors in, and improve the accuracy of, statistical data.

Fourth, carry out quality appraisals of statistical data and squeeze "exaggerations" out of them. To adapt to the new situation in which coming up with accurate statistical data is becoming more and more difficult, statistical departments for many years have always explored methods of carrying out quality appraisals of the main data and have now accumulated a certain amount of experience in this respect. With regard to the raw information coming from the basic level, they discard the dross and select the essential; they process information by proceeding from one point to another and from the external to the internal; and they proofread and correct statistical information so that it goes into the correct channel that conforms to the actual situation. For example, two important data in this year's statistical bulletin—the 18 percent growth in China's industry and the 17.7 percent growth in its population birth rate—were released to the public after the State Statistical Bureau had squeezed out elements of exaggeration and deceptive reporting.

Through the above "four checks," we can basically guarantee the truth and dependability of overall statistical data. "But this is not enough," Director Zhang Sai said, "We must fundamentally solve the problem of data coming from the basic level being partially inconsistent with the facts and depend on vigorously applying the magic weapon of lawfully harnessing numbers." A piece of national legislation—the "Statistics Law"—is the "fountainhead" of China's legal system for statistics. With it as the basis and making it specific, now all provinces and cities have basically initiated legislation or laws and regulations of a local nature, and the State Council has issued some rules and regulations of an administrative nature. On the 9.6 million square km of our nation's

land, no matter what kind of economic component, and also no matter whether it is a unit, enterprise, or an individual, they all have the obligation to provide, according to the facts, relevant data to the statistical departments. No matter at what level a leading cadre is, and no matter under what circumstances, he absolutely is not permitted to interfere with the regular work of statistical departments and their independent reporting of statistical data to higher authorities. Once an illegal act occurs, the leading cadre should investigate it according to law.

In his government work report to this NPC session, Premier Li Peng said: "When unrealistically and excessively high demands of higher level leaders cause fraudulent practices, the higher level leaders must bear the responsibility and take the initiative to correct these practices; with regard to problems at the lower level, the higher level leaders must take a fresh attitude and supervise and urge the lower level to make corrections. When a case of fraud is seen, it must be investigated according to law and responsibility affixed." Director Zhang Sai said that this statement showed the central authorities' attitude of firm opposition to fraudulent practices and also showed their support for statistical work. He hoped that leaders at all levels would uphold the work style of seeking truth from facts and create a good external environment for the regular carrying out of statistical work.

**\*PBC Researcher Views Coexisting Two Highs**  
*95CE0403A Beijing LIAOWANG [OUTLOOK]  
in Chinese 6 Mar 95 No 10, pp 20-21*

[Interview with Qin Chijiang (4440 3069 3068), director of the Financial Research Office, People's Bank of China, by staff reporter Pan Yan (3382 3601): "How Can a High Volume of Savings Deposits Appear as the Inflation Rate Goes Up?" Financial Expert Qin Chijiang Discusses 'Two Highs' Phenomenon of 1994"]

[FBIS Translated Text] In 1994, a strange and puzzling phenomenon appeared in China's economic life. The market retail inflation index reached a peak of 21.7 percent, which made last year's inflation the highest since the implementation of reform and opening. However, such high a rate of inflation not only did not bring in a rush of buying and bank withdrawals such as we had in 1988, there was also a dramatic increase in bank savings. Statistics show that by the end of last year, the volume of savings deposit in the nation's financial institutions was 631.5 billion yuan, an increase of 41.5 percent; this was not only more than the total increase of the previous two years, it was much higher than the average growth rate of 33.5 percent for the period 1978



to 1994, making it the highest growth rate year ever. The appearance of this sort of "co-existing two highs" does not seem to fit the rules of economics, so people have been puzzled and attentive. Therefore, this reporter interviewed Qin Chijiang [4440 3069 3068], director of the Financial Research Office at the People's Bank of China [PBC], letting him offer his opinions to our readers.

**[Pan Yan]** *The conventional wisdom has been that when the rate of inflation is high, people will usually react by withdrawing their savings and make purchases in order to preserve the value of their money, with a corresponding drop in bank deposits. But in 1994 things went in exactly the opposite direction, with bank deposits not just decreasing but actually increasing. Could you please discuss how this phenomenon could have occurred?*

**[Qin Chijiang]** We consider this "two highs" coexistence to be a normal phenomenon, and especially in the current stage of economic development in China, it is not surprising that this phenomenon has occurred, and there are intrinsic reasons for it.

First of all, increased savings deposits are based on the growth in people's incomes. Last year, wage reforms were implemented, which considerably improved people's earning power; when the increased number of employees and the benefits from every enterprise and institutional work unit were added to this, domestic income distribution began to tilt greatly toward individuals. Statistics indicate that after the effect of pricing factors is deducted, in 1994, the average urban and rural net income increased by 7.8 percent and 5 percent respectively over that of the year before. Wages withdrawn from state-owned banks increased by 40.5 percent over 1993, so wages grew faster than prices rose. In normal consumption circumstances, after the price rise part is deducted, people still have quite a lot of surplus currency, so it is perfectly normal for them to shift part of it to savings deposits.

Second, looking at this from the from the investors' angle, their savings psychology is also linked closely with the specific stage of reform China is in now. In a certain sense, every citizen is a "small economist," and with progress in such reforms as publicly funded medical care, housing and education, etc., which are closely linked to the interests of thousands and millions of households, families will inevitably face the question of how to arrange their household income and expenses. Our elderly have to worry about aging and illness; if they do not save money when they have it, how can they be assured of being secure and happy by relying solely on pensions and limited public health

care? Younger people now are thinking about buying houses, and they cannot ignore making an investment in their kids' education from kindergarten to college. All these things make each family realize the importance of capital accumulation. In circumstances like the present, where most households have satisfied their medium-level consumption demands (such as a color TV, a refrigerator) but have not yet attained higher level consumption (for instance, buying commodity housing or a car), surplus capital flow becomes concentrated in savings deposits and investments. Investment requires both financial and intellectual capacity, and people with the capacity for investment are certainly still in the minority, and while at present financial assets are relatively of less variety, investment areas, methods, and opportunities are few, but the risk is higher. Even those people with investment capacity still cannot help worrying about the "market," so they put their money in a bank and then make decisions about the market situation, so how can ordinary people with not too much surplus money do otherwise? In addition, the inflation this time is chiefly due to big price hikes for agricultural by-products, unlike the situation in 1988, when the price rises were in household electronics; how can agricultural by-products be stocked and kept for a few years? In addition, people have seen that household electronics have been constantly improving in quality and upgrading in technology, with a basically stable tendency for them to come down in price. Therefore, unless their need is urgent, sophisticated "household economists" will certainly not make a rush to buy without being selective, as happened in 1988.

Third, let's look at it from the angle of the banks. The PBC has raised its savings deposit interest rate twice since May 1993, with a rate of increase of 2.5 percent, bringing the interest rate for a one-year term 10.98 per thousand while also keeping value constant for more than three years. Meanwhile, all banks have also strengthened its service management. All have installed computers, and added savings deposit networks and offices; there is a joke going around that it is easier to find a savings deposit office than it is to find a public toilet, which is a commentary on the convenience of making saving deposits. The strengthening of the ability of banks to attract savings deposits doubtless further promoted the trend of surplus currency to go to savings.

To find another reason for the high volume of saving deposits, we should analyze savings sources and components. Last year's high volume of savings deposits included a considerable amount of public funds that were put into savings deposits under the names of individuals. Some grass-roots stores, after getting contracts, often deposit public funds under individual names for conve-

nience and the higher interest rate; the party membership and youth associate membership fees, penalties, and various temporary fees of some enterprises and institutions are also often deposited under names of individuals. The PBC clearly bars this practice in its documents, but since "depositing public funds under individual names" has benefits for both banks and enterprises, this phenomenon has not been eradicated despite repeated prohibitions. It has gotten even more wild in some places. According to some typical investigations, among saving deposits taken in by banks and other financial institutions last year, as much as 30 percent came from various kinds of public funds. This was doubtless also an important reason for last year's high volume of saving deposits. The state needs to apply its laws and legal stipulations to resolve this problem.

In addition, the national reduction of infrastructure scale and handling of "disaster fund raising" also played a major role in diverting capital to flow to the banks.

**[Pan Yan]** *You just analyzed the reasons the volume of savings deposits has risen to such a high share of such aspects as people's incomes, investors' psychology, bank services and saving sources, etc., however, in the present circumstances of a depressed stock market, little investment opportunity, high risk, and a 21.7 percent inflation rate, how does the average citizen minimize his losses due to inflation? Do such methods as purchasing gold jewelry and exchanging foreign currency to preserve value still apply?*

**[Qin]** To avoid economic loss, my advice is to evaluate the situation, and after getting to know a certain price automatically take advantage of it to serve yourself. You know that there is now a rising price trend for agricultural by-products and, just as happened for household electronics appliances, prices will fall in the future, so you do not engage in a rush to buy, just as you did not buy household electronics appliances. Unless there is no other choice, never buy a commodity at peak price. Save money at the crest of the price wave, and buy goods when the wave is in the valley; this can discount some losses to a certain degree anyway.

As for preserving value through gold and foreign currency, I think that besides the trouble and limitations of citizens' own circumstances, I cannot see much in the way of results. For example, the price of gold in China is higher than the international market price, plus there is the 30 to 40 percent processing fee and the trouble of preservation and cashing in, so it really does not seem worth the effort. The same goes for foreign currency: Exchange channels are rocky or illegal, plus the foreign exchange rate is volatile, so the cost you pay is not the same rate as what you receive, especially after banks

have conducted their value preserved saving deposits service; it is absolutely unnecessary to go through this sort of trouble.

**[Pan Yan]** *As a financial expert, please give a simplified commentary on the great rise in volume of savings deposits in 1994.*

**[Qin]** I think the growth of savings deposits reflects the status and reputation of reform among the Chinese people; it most truly reflects people's optimistic attitude and confidence in China's future, and meanwhile it is also a very necessary and precious support for China's developing economy. I oppose the idea which regards increasing saving deposits as shrinking consumption. The existing savings deposits are formed under normal consumption, therefore it is unnecessary to accuse banks of threatening markets, let alone of encouraging unreasonably high consumption. The state not only does not have to worry about it, it should also give it protection; we especially must make good use of this part of our capital, for example using it to support enterprises which are upgrading facilities, developing new products and investing in urban infrastructure service facilities, etc. In general, under market economic circumstances, the government need not interfere too much in specific matters. It only needs to do two things: One is to guarantee stable growth of the domestic economy, keeping overall supply in balance with overall demand; the other is to prevent the phenomenon of bullying and dominating markets and conducting speculative operations by guaranteeing good market order. If it can control these two points, reform will not be leave the true course.

The interview over, in the process of organizing his notes, this correspondent's thoughts went a long way over several of the reasons analyzed by Director Qin Chijiang. These reasons should be "results," for there are deeper level "causes" behind them. For example, what makes domestic income tilt toward individual income to such a great degree? How can investors have so much of a conservative and unenthusiastic psychology under market economic circumstances? What are the in-depth motivations of banks which leads to their expanding their ability to absorb savings deposits, etc.? We should say that these are deeper level reasons for resolving the "coexisting two highs" phenomenon; they are also problems that in our current special stage of reform we must study and resolve for the next stage of further reform.

### Foreign Trade & Investment Tianjin Courts Prepare To Hear IPR Cases

HK1306150395 Beijing ZHONGGUO XINWEN SHE  
in English 1325 GMT 13 Jun 95

[FBIS Transcribed Text] Beijing, June 13 (CNS) — The Tianjin Higher People's Court and the Intermediate People's Court have recently set up their respective tribunals for hearing cases regarding intellectual property rights. Such courts are now in place in the three municipalities including Beijing and Shanghai.

Statistics showed that the number of applications for patent rights across Tianjin reached over 10,000 by the end of last year. There were 6,419 cases involving patent authorization, while the volume of contracts concerning technology was valued at RMB 950 million across the municipality.

During the past decade, courts of various levels in Tianjin have dealt with 470 cases regarding disputes of intellectual property rights including patent rights, trademarks, copyrights and contracts on technology. About 452 of these cases have been solved, indicating effective protection for intellectual property rights and sound social effects achieved as a result.

### Beijing Holds International Invention Symposium

OW1306150595 Beijing XINHUA in English  
1449 GMT 13 Jun 95

[FBIS Transcribed Text] Beijing, June 13 (XINHUA) — A four-day international symposium on the commercialization of inventions produced by universities in Asia is now being held at Beijing University.

Organized by the University and the World Intellectual Property Organization (WIPO), the symposium has drawn experts from a dozen countries including China, the United States, India and the Republic of Korea.

It is the 57th meeting on intellectual property held by the WIPO in China since 1977, and is expected to promote the commercialization of university-developed science and technology findings, said a senior official from the WIPO at the opening ceremony of the symposium Monday.

### Foreign Trade Figures for Jan-May Issued

OW1306145895 Beijing XINHUA in English  
1413 GMT 13 Jun 95

[FBIS Transcribed Text] Beijing, June 13 (XINHUA) — China's foreign trade volume reached 101.58 billion US dollars-worth in the first five months of this year, up 32.3 percent over the same period of last year.

According to statistics released by the Customs Bureau today, a breakdown of this figure showed that exports amounted to 55.92 billion US dollars and imports, 45.66 billion US dollars, up 49.1 percent and 16.3 percent, respectively.

The statistics show that China's export growth has slowed down while import volume has increased, in spite of a trade surplus of 10 billion US dollars during the January-May period of this year.

Imports have grown at a rate of some 15 percent this year, with the value reaching 11.5 billion US dollars in May, about five billion more than in January.

China's trade structure has continued to improve. The export volume of manufactured goods topped 47.41 billion US dollars-worth, up 52.7 percent, making up 84.7 percent of the total, as opposed to 82.8 percent a year earlier. Imports of primary products increased by 73.2 percent to reach 8.77 billion dollars-worth.

General trade exports are taking a bigger share of the total export volume. General trade exports rose by 52.7 percent to hit 29.62 billion US dollars-worth, accounting for 53 percent of the total export volume, up from 51.7 percent in the corresponding period of last year. The import volume of general trade was 13.55 billion US dollars, down 0.5 percent. But general trade imports have turned favorable, the volume of this sector increasing month by month. The figure reached 3.31 billion US dollars in May, almost doubling that of January.

According to the statistics, the processing sector has kept a high growth rate, whereas its proportion of the total export volume has slightly decreased. On the other hand, the proportion of processing trade imports in the total import volume has seen a rapid increase.

Imports and exports of foreign-funded enterprises have maintained a steady increase.

Machinery and electronic products have become China's main export items. Other major export products include garments, yarns and textiles, shoes, luggage, toys and plastics.

Machinery and electronic products are also China's main import items, but their import volume is on the decline. The figure stood at 19.9 billion US dollars, a decrease of 1.5 percent. Their proportion in the total import volume fell to 43.6 percent from 51.5 percent in the same period of last year.



## Agriculture

### Zhu Rongji on Diversion of Purchasing Funds

OW1306160395 Beijing XINHUA in English  
1521 GMT 13 Jun 95

[Beijing XINHUA in English at 1532 GMT on 13 June transmits a variant version of the following item omitting graf 12 beginning "Provinces will achieve..."]

[FBIS Transcribed Text] Zhengzhou, June 13 (XINHUA) — Chinese Vice-Premier Zhu Rongji demands that a good job be done in the summer harvest season in purchasing food grains and edible oil, so as to fulfill the State purchasing targets.

When the busy summer harvest season sets in, Zhu said, no "IOU"s may be issued to farmers and no grain purchasing funds may be diverted for other uses.

During his recent tour of central China's Henan Province, one of the main grain producers in the country, he made on-the-spot investigations of local agricultural production, especially the harvesting work in summer.

Henan has scored considerably favorable harvests this summer despite severe spring dry spells. The output of oil-bearing crops has risen by a big margin, the sowing acreage of cotton has been enlarged, and now the crops are growing well.

Zhu praised the agricultural production base, saying that it was not easy for Henan to make such achievements.

He noted that it is of great significance to make the summer purchase of grain and edible oil a success, as this will have a bearing on scaling down inflation. Zhu required the country's main grain producers to take overall consideration of fulfilling the purchasing quotas.

In some places where conditions are available, he said, subsidies can be given to farmers since there is "a rather big difference between the State-set purchasing price and the market price". Farmers who sell grains to the State can obtain chemical fertilizers at lower prices.

Zhu pointed out that though no more IOUs have been issued recently, the misappropriation of farm purchasing funds is "still a serious problem", which has brought harmful effects on the attempt to check inflation. He stressed that local governments must never divert purchasing funds for other uses, and must recoup the misappropriated capital as soon as possible.

Local governments should shoulder all-around responsibility for the provision and management of purchasing funds, but they are not allowed to ask the Agricultural Development Bank to provide extra funds for purchasing farm and side-line products, he added.

The policy-oriented bank, founded in 1994, is the country's sole channel for switching leading to priority sectors for agricultural production.

Zhu said that implementing a system of "provincial governors who are in charge of food production taking the responsibility" and the policy of "regional balance" will fire local farmers' enthusiasm to expand grain production and ensure the balance between demand and supply.

"Provinces will achieve their own agricultural balance under the control of the central government. The market must be balanced by both the central and provincial governments," he said.

Zhu also noted that there is a potential to increase the output of grain of low-yield and relatively low-yield land if Henan musters its efforts to dig enough wells and irrigation ditches, and build many small-sized water-control projects.

He said he hoped that, aiming to produce more grain, all concerned in Henan will go in for water-control projects, make efficient use of the available water sources, resort to diversified water-saving irrigation methods and introduce more drought-resistant seed varieties.

In addition, he said, the State Council has decided to transfer a large amount of corn from northeast China to keep the balance between demand and supply with regard to pig feed. The cutting of pig feed prices and increasing of pork prices is the best way to coordinate the links between producers, traders and consumers.

### Jiangxi Stabilizing Regional Grain Markets

OW1406092395 Beijing XINHUA in English  
0828 GMT 14 Jun 95

[FBIS Transcribed Text] Nanchang, June 14 (XINHUA) — Jiangxi Province, one of China's major agricultural producers, is playing an increasingly important role in stabilizing grain markets in the southeastern part of the country.

While other provinces busily moved millions of surplus rural laborers by rail this year, Jiangxi was shipping 50 car-loads of grain every day to support Shanghai, Guangdong, Fujian, and other grain-short coastal areas.

According to Zhou Yi, head of the Overall Planning Division of the Jiangxi Provincial Grain Bureau, the province has shipped out 300 million kilograms of grain so far and will ship between 300 million kilograms and 600 million kilograms of grain to coastal areas this year. The province supplied 1.24 billion kilograms of grain to a dozen provinces and Shanghai last year.

Economists agree that Jiangxi has played a decisive role in balancing the rice supply in southern China's markets, or has, at least, ensured the stability of grain markets in the populous coastal areas.

Located on the southern bank of the middle and lower reaches of the Chang Jiang River, Jiangxi has an average precipitation of 1,800 millimeters and 300 frost-free days annually, making it ideal for growing rice. The province's population is about 40 million, and cultivated areas average 0.053 hectares per capita, which exceeds Shanghai's outskirts and Guangdong and Fujian provinces.

An official with the Guangdong provincial grain department disclosed that the province has to purchase 1,500 to 2,000 car-loads of grain to feed its people every month, and one fourth of that comes from Jiangxi.

"Although we began to pay attention to grain production, we would still face difficulties without the support of Jiangxi," he said.

"In line with Jiangxi's conditions and its special position as a key grain and cotton producer in the national economy, we have chosen to use agriculture as the base of development," Wu Guanzheng, secretary of the Jiangxi Provincial Committee of the Communist Party of China (CPC), said.

To improve grain production, Jiangxi has invested more than one billion yuan in turning 667,000 hectares of low-yield farmland into better land, importing and breeding improved rice strains, and training more than five million farmers since the 1980s.

The state has established 29 commodity grain bases in Jiangxi since 1983. These bases, which handle 35.9 percent of the province's farmland, produce 40 percent

of the province's total grain, and their per hectare output is 352.5 kilograms more than the province's average.

With more than 400 million yuan in state assistance since 1986 to help 60 counties improve farming, Jiangxi has produced an additional one billion kilograms of grain.

In addition, the province has used more than 200 million U.S. dollars of capital from the Food and Agriculture Organization of the United Nations (FAO) and other international organizations to work on ten major agricultural projects.

A provincial official in charge of agriculture estimates that Jiangxi's annual grain output will climb to 19 billion kilograms by the end of the century, an average of 465 kilograms per capita.

"By that time, we will be able to supply other provinces and regions with more grain," the official noted.

#### **\*Yunnan Reports Grain Procurement, Price**

*95CE0415Z Chongqing XINAN JINGJI RIBAO  
in Chinese 30 May 95 p 1*

[FBIS Summary] As of 20 May, Yunnan Province had put 112 million kilograms of grain in storage, an increase of 45.48 million kilograms over the same period in 1994, and 12.49 million kilograms of rapeseeds were put in storage, an increase of 6.93 million kilograms. In addition to the state-set procurement price for wheat of 1.02 yuan per kilogram, Yunnan has increased its subsidy of 0.04 yuan per kilogram to 0.08 yuan. The subsidy for indica rice has increased from 0.06 yuan to 0.12 yuan per kilogram. The subsidy for japonica rice has increased from 0.08 yuan to 0.16 yuan. The procurement price for rapeseeds is 2.80 yuan per kilogram.

### North Region

#### Hebei's Cheng Views Entrepreneurs' Development

SK1206084795 Shijiazhuang HEBEI RIBAO  
in Chinese 27 May 95 pp 1,3

[FBIS Translated Excerpt] The programs of reform and opening up are calling entrepreneurs and the market economy needs them. This is the common understanding gained by all participants at the provincial forum concluded on 23 May on the construction of entrepreneurs' contingent and on the strategy of developing entrepreneurs.

The two-day forum was sponsored by the provincial party committee and the provincial people's government and was chiefly aimed at discussing the two topics—including "Hebei Province's Construction of Entrepreneurs' Contingent and Development Strategy" and "Hebei Province's Regulations on Entrepreneurs"—that had been jointly drafted by the Provincial Entrepreneurs' Association and the Economic Management College of Qinghua University. It also aimed at investigating ways of effectively integrating theory with practice so that transcency socialist entrepreneurs could prove themselves; to train a large number of entrepreneurs to become business and management experts and professionals; and to foster a contingent of entrepreneurs suitable to the development of the socialist market economy and able to assume the leading heavy duty of meeting the needs of modern enterprise systems.

Attending the forum were the China Entrepreneurs' Association, the State Economic Development Studies Center, China Democratic National Construction Association, the Studies Center under the State Economic and Trade Commission, Qinghua University, Beijing University, and China People's University; a number of specialists and professors of Chinese Academy of Sciences; responsible persons from the provincial level departments concerned; and plant directors and managers of some state-owned large and medium-sized enterprises. Also attending the forum were leading personnel from the provincial party committee, the provincial people's congress standing committee, the provincial people's government, and the provincial Chinese People's Political Consultative Conference committee—including Cheng Weigao, Ye Liansong, Zhao Jinduo, Ning Quanfu, Guo Shichang, and Huang Feng—as well as Yue Zongtai, chairman of the Provincial Federation of Industry and Commerce.

It was contended at the forum that entrepreneurs are one of the essential factors of productive forces, which is most active and has the best capabilities for creating something new and which is also a decisive force to drive enterprises to seek survival and development in

the course of market competition. Entrepreneurs are laborers who have obtained special capabilities in advance and cannot equal the plant directors and managers of general enterprises. Therefore, we should set demands in the quantity and quality of construction in the entrepreneurs' contingent. We should establish the system of approving the qualification of entrepreneurs and approve the qualification of entrepreneurs through the strict examination and appraisal over their professional achievements, capabilities, and knowledge structure. In line with the principle of having duties be equal to interests, we should more closely link the personal incomes of enterprise runners with their managerial achievements and the duties assumed by them. Efforts should be made to have the linkage fully reflect the principle of coexistence between interest and risks. While upgrading the social status, political honor, and economic treatment of entrepreneurs, we should also enhance the legal restriction over them and the restriction and supervision over the owners of assets. During the forum, the participants earnestly discussed the many factors that restrict the construction and development of entrepreneurs' contingent, which include the issues of separating political work from enterprise management, of enforcing social security, and of providing legal environment.

During the forum, Cheng Weigao, secretary of the provincial party committee; and Ye Liansong, governor of the province; constantly sat among the participants and earnestly listened to the opinions raised by the specialists by taking notes and chipping in with questions. In concluding the forum, Comrade Cheng Weigao voiced important opinions. He stated: Under the situation in which the market economy is achieving very rapid development and the economy of China is gradually linking with the international one, the contradiction of unsuitability between the concepts, sense, acts, quality of enterprises' responsible persons; and the objective situation; has become increasingly prominent. Such a contradiction is obviously displayed in the products' mix, scientific and technological progress, and managerial scale of enterprises that are seriously unsuitable to the market competition both at home and abroad and are seriously restricting the development and benefit improvement of enterprises. Therefore, accelerating the construction of the entrepreneurs' contingent has become a very pressing task of the moment. To become entrepreneurs suitable to the present market competition, it is imperative for personnel responsible for enterprises to enhance their sense in the following four fields: First, they should have a strong sense of competition; boldly put their products or enterprises into market competition at home and abroad; and boldly win a victories and achieve development and growth in the course of competition. Second, they should have a strong sense of



development; boldly do great things and achieve great developments; boldly enforce standardized management and carry out group business; boldly participate in market competition and earn great profits; and boldly strive to obtain the largest increased value of assets. Third, they should have a strong sense of science and technology and be determined to invest in maximum the earned profits in training talented personnel; in developing science and technology; and in conducting technical renovations so as to enable enterprise development to have the reserve strength with the most powerful backing. Fourth, they should have a strong sense of reform; boldly expedite with high dynamics reforms in the internal organizational structure of enterprises and in the three systems; boldly enhance the internal management of enterprises; and be good at bringing into play or cohering the enthusiasm of staff members and workers of enterprises.

Cheng Weigao stated: The gradual establishment of socialist market economic systems has created a favorable environment for nurturing a large number of socialist entrepreneurs. Accelerating the development of the contingent of socialist entrepreneurs has also added the promoting force to the formation of socialist market economic systems. Our tasks at present are to create conditions for accelerating the construction of the contingent of entrepreneurs in the course of accelerating the establishment of socialist market economic systems, and to vigorously establish an internal law abiding by the development of a market economy so as to enable entrepreneurs to be professional and socialized to meet the needs of the mechanism of turning out, encouraging, restricting, and protecting entrepreneurs, which is the foundation of a market competition mechanism. The key to succeeding in fulfilling these tasks lies in doing a good job in dealing with the following issues: 1) We should improve the current managerial system of personnel affairs among state-owned enterprises. According to the provisions set in the "Law on Enterprises" and the "Law on Companies," we should establish the mechanism of turning out entrepreneurs through competition and the selection of the best. 2) We should establish the mechanism of encouraging entrepreneurs by integrating interest incentives with business incentives. A focal point should be placed on stipulating the incomes of managers to be linked with the achievements of enterprise management so as to enable these managers to open their incomes to the public and refrain from hiding their incomes or from obtaining incomes at will, as well as to enable those who have truly contributed to management to obtain high incomes. Meanwhile, according to the development of their business and their professional achievements, we should present appropriate social status and political honor to these entrepreneurs.

3) A good job should be done in conducting auxiliary reforms favorable for establishing the restriction mechanism for entrepreneurs. Such a restriction should first reflect the markets because market competition is heartless and decides the fate of enterprises and also of entrepreneurs. Having such a restriction reflects the economic means to adopt the method of having managers take out mortgages on their personal property for business; to tie up the personal property of enterprise managers with the life and death of enterprises; and to let enterprise managers realistically assume the related economic responsibilities of losses, bankruptcies, and closings. Having such a restriction reflects the administrative work means to resolutely allow managers who have personally caused the fall of their enterprises to be dismissed from their posts or, to actively present their resignation according to the different characters of enterprises. As for plant directors and managers dismissed from state-owned enterprises, their qualification of reemployment will be revoked within the fixed period. They will not be allowed to be reemployed by other places in an official post. Having such a restriction reflects the law and means of managerial work to uphold the system of enforcing regular appraisals over the work done by plant directors and managers, the appraisal over their resignation, and the system of making work reports to the congress on staff members and workers. We should investigate and affix the legal responsibility for plant directors and managers who have been negligent or derelict in their duties. 4) We should establish a mechanism with social insurance as a major content in order to protect entrepreneurs. Through having enterprises and individuals jointly assume insurance premiums, we should have entrepreneurs enjoy the insurance of personal accidents, unemployment, retirement, and Medicare. Only by so doing can we have entrepreneurs be life-long professionals who whole-heartedly or single-heartedly engage in the business management of enterprises. Cheng Weigao also made arrangements for the 10 specific tasks that should be well grasped for building the contingent of entrepreneurs this year. [passage omitted]

#### **Inner Mongolia Progresses in Poverty Irradication**

OW1406095395 Beijing XINHUA in English  
0914 GMT 14 Jun 95

[FBIS Transcribed Text] Hohhot, June 14 (XINHUA) — More and more poor people of ethnic minority backgrounds have gotten rid of poverty in north China's Inner Mongolia Autonomous Region due to efforts from all sides these years.

According to the latest statistics, the nationalities affairs committee in the region has helped more than 10,000 people shake off poverty every year.

At present, about 600,000 of the 4.3 million ethnic minority people are still living in poverty. To help these people, the region has taken measures, including allocating funds to help them build fenced grassland and township enterprises.

In the past several years, the region has invested more than 50 million yuan to set up dozens of industrial enterprises in the poverty-stricken areas. These enterprises have absorbed a lot of local farmers and herdsmen.

The region also set up several pilot zones so as to show to local farmers and herdsmen how to upgrade their old production methods and to grasp advanced technologies. For instance, after a rice-production area was built in Kezuohou Banner (county) with success, the local farmers quickly followed suit and by now, the county has more than 13,000 hectares of rice fields.

By now, the region has poured more than 25 million yuan to build various poverty-relief pilot zones.

The region also sent officials and technicians to the grassroots to guide local economic operations.

#### **Shanxi Provincial Government Work Report**

HK1406072295 Taiyuan SHANXI RIBAO in Chinese  
1 Mar 95 pp 1, 2

[Shanxi Provincial Government Work Report, delivered by Governor Sun Wensheng at the Third Session of the Eighth Shanxi Provincial People's Congress on 19 February: "Fight Well the 'Four Major Campaigns,' Accomplish the 'Five-One Project,' Strive To Make a New Breakthrough in the Work of the Whole Province"]

[FBIS Translated Text] Deputies:

On behalf of the provincial government, I shall here deliver the government work report to this congress for your deliberation. At the same time, I should like to ask the various members of the provincial Chinese People's Political Consultative Conference [CPPCC] and other figures attending this congress as nonvoting delegates to air their views.

#### **I. Reviewing Government Work in 1994**

Last year was a very unusual year, and one worth summarizing. In 1994, Shanxi met with difficulties not seen for many years: Agricultural production suffered severe drought; there was great shortage of industrial funds; market prices kept climbing; and the pressure of inflation grew. Under the correct leadership of the Shanxi Provincial CPC Committee and with the

supervision and support of the provincial people's congress and its standing committee as well as of the provincial CPPCC, the provincial people's government, despite such a stern situation, earnestly implemented the spirit of the 14th party congress as well as of the Third and Fourth Plenary Sessions of the 14th CPC Central Committee and mobilized and organized the people of the whole province, in accordance with the principle of "grasp the opportunity, deepen reform, expand opening up, promote development, and maintain stability," to earnestly grasp and do substantial work by closely centering around the three major issues, namely reform, development, and stability, going all out in work, and scored new accomplishments in work in various aspects. The whole province achieved a fine situation in in-depth reform, economic growth, and social stability.

**1. Reform scored substantial progress.** Last year, the contents of reform were rich, involving extensive arenas and relatively great magnitude. Based on the arrangements of the state, we enthusiastically pushed forward macroscopic restructuring in finance and taxation, banking, foreign exchange, foreign trade, investment, and prices, determined the provincial financial structure with respect to prefectures and cities, steadily implemented reform of the taxation system, and completed the establishment of national and local taxation organizations. The new financial and taxation structure were in normal operation, progress was made in banking reform, and the merger of the dual foreign exchange system was carried out smoothly. A crucial step was made in the building of the socialist market economic structure with the restructuring in macroeconomic regulation and control. Focusing on the conversion mechanism, large and medium-sized state-owned enterprises made the initial step in the pioneering work in the reform of building the modern enterprise system; a relatively big breakthrough was made in reform in the ownership system of medium and small-sized enterprises, with the surfacing of such typical examples as Shuozhou City and Yuci City; appraisal of properties and funds was conducted in 3,879 enterprises, which prepared for the building of the modern enterprise system; reform of "three systems" of enterprises developed in depth and breadth, and helpful attempts were made in the diverting of personnel and separation of service organizations in some enterprises. Rural reform continued to deepen; the time for which land is contracted was comprehensively extended; auctioning of land use rights of "four wastes" was given a free hand; the cooperative shares system was pursued in a big way; and restrictions on grain prices were promptly lifted. All this gave great play to the peasants' enthusiasm for production. Reform of the social insurance system continued to develop in depth; provincial overall arrangements were realized for the

pension scheme for workers and staff in state-owned enterprises, and the unemployment insurance system was established in state-owned enterprises and some collective enterprises. The plan for the reform of the housing system was being implemented. Administrative organizational reform at provincial level made steady progress; the "three sets [san ding 0003 1353]" plan was settled; and results were scored in the pioneering work of the civil servant system.

## **2. Relatively rapid growth in the national economy.**

Last year, we adopted a series of effective measures aimed at various difficulties in economic life. As a result, the national economy moved closer to normal operation with each passing day, and the general situation turned out better than was estimated early last year. Initial statistics show that Shanxi's domestic gross output value was 85.2 billion yuan in 1994, up by 9.3 percent from the previous year. Despite the fact that agriculture suffered an autumn drought following a summer drought, a phenomenon not seen for many years, people across the province went all out to fight natural disasters and guaranteed the steady development of agricultural production and the rural economy. Gross grain output reached 8.9 billion kg, down by 10 percent from the previous year and still a relative good harvest historically. Gross cotton output increased by 21 percent. Output of meat, poultry, eggs, milk, vegetables, and fruit enjoyed a relatively wide margin of growth. Enterprises in townships and towns continued to maintain a sound momentum of rapid growth, with a turnover of 87 billion yuan, up by 46.2 percent from the previous year. At the beginning of the year, we set out to take doing a good job of state-owned enterprises as the focus of economic work, while pushing forward reform, transformation, and management as a whole. A large number of cadres were transferred deep down to the grass roots, to help enterprises resolve problems while focusing efforts on grasping the work in increasing profits and changing the situation of deficits in 200 enterprises, thus promoting the growth of industrial production with each passing month. The gross industrial market output value of enterprises at and above township and town levels was 83.69 billion yuan, up by 17.7 percent from the previous year. Output of such major products as coal, power, iron, and steel enjoyed growth to varying degrees. The managerial structure of the coal industry was further ironed out, with results scored in rectification of production, transportation, and marketing; and coal sales increased by 5.1 percent from the previous year. Conditions in implementing the financial budget were sound. Local revenue set in the budget at the beginning of the year and the indexes for growth in the "two taxes" issued by the state were overfulfilled. Local financial revenue was 5.37 billion yuan, up by 42.1 percent from the

previous year; financial resources at localities' disposal was estimated at 8.29 billion yuan, up by 19.4 percent. Investment in fixed assets of state-owned units across the province increased by 23.2 percent, down somewhat from the previous year. Investment leaned mainly toward transportation, telecommunications, power, and water conservancy, with investment direction being relatively rational. Investment in technological transformation went up by 12.2 percent from the previous year, with approximately 1,000 projects put into production one after another. The implementation of allotment of funds for technological development projects, loans to special items, and funds for key projects as well as the rate of progress of projects were the greatest and the best in recent years. The monetary situation was stable, the favorable balance of deposits in various categories of banking organizations across the province increased by 31.5 percent from the beginning of the year, and the favorable balance of loans in various categories grew by 22.4 percent. Both the urban and rural markets were prosperous, and both purchase and marketing were brisk. The province's total volume of retail sales enjoyed a 20.2 percent growth from the previous year. Opening up to the world further expanded; 241 foreign-funded enterprises were initiated in 1994, with a negotiated volume of direct foreign investment of \$210 million. Import and export volume in foreign trade went up by 17.1 percent from the previous year, of which export increased by 26.6 percent. The momentum of the tourist industry was promising. Through rich and colorful tourist activities, such as the international month of cruising along the Huang He at Hukou and the international tourist month at Wutaishan, Shanxi's reputation overseas was enhanced.

## **3. Marked results scored in projects in three aspects.**

Projects in three aspects were magnificent undertakings for Shanxi to accelerate its development, and of great strategic significance. They won the extensive support of the whole province from the top down, while stimulating strong mass enthusiasm for work, further focusing the attention of the broad masses of cadres on economic construction, and bringing forward the pioneering spirit of working hard and perseveringly, with tremendous material and rich spiritual results scored. Building of five key highways (Taiyuan-Jiuguan expressway, Taiyuan-Dongshen transit highway, Taiyuan-Changzhi advanced highway, Fenyang-Liulin highway, and Yuncheng-Fenglingdu highway) was in full swing and made smooth progress. The province added 483 km to the total length of its highway network, with oil supply lines put through to another 29 towns, highways linked to another six townships, and motor vehicles reaching another 408 administrative villages. Relatively great progress was made in capital construction of farm-



land and water conservancy work, with 200,000 mu of paddy field added, an area of 1.12 million mu of farmland included in water-saving irrigation projects, and soil erosion in an area of 3.61 million mu initially improved. A number of productive projects, including the continuous hot-rolling project of Taiyuan Iron and Steel Works and the Taiyuan No. 2 Power Plant, were completed and put into production. The elevated lounges at the Taiyuan Railway Station and the airport passenger building were completed, and the Fenglingdu Bridge linking Shanxi, Shaanxi, and Henan was officially put through. Building of the project of diverting the waters of the Huang He is in full swing, and pre-construction preparations for Yangcheng No. 1 Power plant are under way.

**4. New progress is made in various social undertakings.** Science and technology work adhered to facing economic construction, and 78 items of tackling bottlenecks in industrial and agricultural science and technology were completed in 1994, of which the results of 39 items attained domestic advanced level. The focus was laid on popularizing the results of 37 items in scientific and technological research, 32 items in the "Spark Plan," and 11 items in the "Torch Plan." Five intermediate testing bases for developments in scientific research were completed and put into production, and began to yield economic results. The technology market grew continuously, with the number of technological contract transactions going up by 12 percent from the previous year. Non-government-run scientific and technological industry is rising, and has become a newborn force in Shanxi's scientific and technological industry.

*Significant results were scored in popularizing the nine-year compulsory educational system, eliminating illiteracy among young and middle-aged people, developing vocational education, and educational restructuring.* Primary education has been popularized in 78 counties in the province, 25 counties have popularized secondary education, and 14 counties have achieved the "double-basic" goal [basically popularizing the nine-year compulsory educational system and basically eliminating illiteracy among young and middle-aged people]. In 95 ordinary secondary and vocational schools 380 specialties were readjusted, while the proportion of vocational education was expanded. Tertiary institutes across the province took up 140 important scientific research projects at national and provincial levels, of which 20 were up to world level, and 30 were leaders in China. Teacher training was augmented, with the quality of teachers and teaching elevated to a higher plane.

*Urban and rural medical and public health conditions continued to improve.* Forty counties in the province realized the goal in the plan for primary medical care,

and 79 medical, maternal, and child care organizations were appraised as national "hospitals cherishing babies." Planned parenthood work scored results. The natural growth rate of Shanxi's population was 10.76 percent, somewhat lower than the previous year; however, rural planned parenthood work continues to call for greater efforts. Mass physical activities and sports were active. Shanxi satisfactorily hosted the National Sports Meet for the Vocational Educational Circles, and successfully held the ninth provincial sports meet. The competitive level of the province's sportsmen was relatively good in competitions at home and abroad.

*Marked results were scored in the building of spiritual civilization.* The broad masses of workers in the cultural, artistic, news and publication, broadcasting, film, and television arenas adhered to serving economic construction, going deep down to the grass roots and life, and enthusiastically singing the praises of heroes and exemplary figures arising in socialist construction, and created a number of fine works, published a number of fine books, and enriched the cultural life of the people. The province took action in the "crackdown on illegitimate publications and elimination of pornography" by linking it with rectifying the cultural and entertainment market, thus purifying the social environment. There were accomplishments in supporting the Army and giving preferential treatment to families of revolutionary army men and martyrs, the Army and the people building the two civilizations through joint efforts, and social relief. The area of the excavation and utilization of historical relics continued to expand. The province correctly implemented the party's policy on religion and augmented control over religious undertakings.

**5. People's living standards continued to improve.** The per capita income for living expenditure of the urban population in Shanxi was 2,245 yuan, up by 31 percent; and the per capita net income of the peasants was 884 yuan, up by 23 percent. The increase in savings deposits of the urban and rural population was 15.52 billion yuan, up by 33.7 percent. Over the past year, people's governments at all levels have grasped doing substantial work for the masses as an important task. Under circumstances of very tight financial resources, new investment of 5 million yuan was made with the focus on improving conditions for running primary schools in 50 impoverished counties; the issues of 9,000 non-government school teachers being included in the establishment of regular teachers, and some dependents of fine teachers converting from agricultural to non-agricultural residence registration were resolved; and some 20 million yuan was raised to build housing for teachers covering a floor space of 100,000 square meters. Tremendous efforts were

exerted to improve telecommunications installation. In 1994, toll switchboards with a capacity of 45,000 lines were installed, in addition to telephone exchanges with a capacity of 474,000 lines; 95 counties realized long-distance direct dialing and 89 counties realized program-controlled exchanges. The issue of supplying drinking water to 840,000 of the rural population was resolved, in addition to marked improvement in water supply conditions in 14 counties. Regarding endemic diseases, the province actively pursued general examination, precautions, and treatment, thus laying the foundation for controlling endemic diseases within three years. Taiyuan's central heating supply project was put into use, with central heating supply covering a floor space of 3 million square meters. Newly built housing covered a floor space of 4.26 million square meters in urban areas, and 8.15 million square meters in rural areas; thus housing conditions for the masses continued to improve. Importance was attached to environmental protection, and the environmental quality of the six cities directly under provincial jurisdiction was basically stable.

**6. Building of the democratic legal system was strengthened; social security conditions took a turn for the better.** The provincial people's government accepted of its own accord the supervision of the provincial people's congress and CPPCC, further established closer ties with various democratic parties, non-party patriots, and mass organizations, and extensively absorbed and accepted opinions and suggestions of the masses. In 1994, the provincial people's government handled 560 proposals from deputies to the people's congress, and 372 bills from CPPCC members. It submitted 17 local decrees and regulations for the deliberation of the provincial people's congress; and promulgated 35 regulations and documents of a regulatory nature. It augmented the building of clean government and education in professional ethics. It unfolded the anticorruption struggle in depth, with the focus on grasping the honesty and self-discipline of leading cadres, investigating and handling major and important cases, and correcting unhealthy tendencies in trades, while concentrating efforts on rectifying such malpractices as leading cadres riding in cars exceeding the standards and occupying excessive floor space in housing, with a degree of success. Attention was paid to building the law-enforcement contingent, swapping public security bureau chiefs at prefectural and county levels, and weeding out public security cadres and policemen that were not up to standard. "Severe crackdown" campaigns of a relatively large scope were unfolded across the province, with the magnitude of the crackdown amplified. As a result, a number of cases of stealing and smuggling historical relics and abducting women and children were cracked, incidents involving violence in several categories, which pose a

relatively great threat to the masses, and incidents in various categories dropped from the previous year, and crime was brought under control. Publicity and education in popularizing legal knowledge was unfolded in an extensive way, and intermediate organizations such as law firms and notary offices developed relatively fast, and provided effective legal services to economic construction.

**Deputies!** Under very difficult conditions in 1994, Shanxi scored the aforementioned achievements, which did not come easily. That was the result of implementing the fundamental policies of the Central Committee and the State Council and the correct decisions of the provincial party committee as well as of the solidarity and unanimity of people across the province, reform and opening, and hard work in the face of difficulties. Here, on behalf of the provincial people's government, I should like to extend our highest consideration and heartfelt thanks to the broad masses of workers, peasants, cadres, intellectuals, commanders and soldiers of the People's Liberation Army, officers and men of the armed police corps, public security cadres and policemen, personalities of democratic parties, patriots striving on all fronts, and friends from all sides who care for and support the development of Shanxi.

While fully affirming our accomplishments, we soberly see that there are many difficulties in Shanxi's economic life, a lot of problems in social development, and still many points in our work which the masses are unhappy about.

**1. Excessive market price rises.** Early last year we set the target of keeping price rises under 10 percent; the general retail price index in 1994 rose by 21.6 percent despite copious work by governments at all levels. True, excessive price rises were a national issue, but Shanxi people's income level was relatively low, and came under greater pressure, which was strongly reflected by the masses. The great price rises were the focal expression of various contradictions in economic life. First, the state had readjusted prices for coal, power, and railway transportation. That falls into the category of structural price readjustment of a compensation nature, and an unavoidable price of reform. Second, around 70 percent of goods for everyday consumption in Shanxi were purchased from other provinces, involving many links and high costs, and difficulties in control. Third, Shanxi's agricultural foundation remained fragile. In addition to natural disasters, structural supply-and-demand contradictions in farm and sideline products surfaced, resulting in price hikes. Fourth, a relatively fast increase in consumption funds and higher enterprise costs affected prices. And fifth, there was a lack of effective control over such behavior as jacking up prices, disguised price

risers, and attempts to monopolize the market. Those were the weak links in our work. Under socialist market economic conditions, the issue of how to regulate market prices effectively remains one awaiting further exploration and resolution.

*2. Poor ability of enterprises to adapt to market changes.*

A number of state-owned enterprises had great difficulties in production operation, some yielded low economic returns, some suffered serious deficits, and others were in a state of suspension or semi-suspension. The causes of the difficulties of state-owned enterprises were manifold, current as well as historical; and there were problems in mechanisms as well as in management. Conspicuous problems were shortage of circulation funds and serious defaults on receivable payments; the aging of technology and equipment, and low-grade products; and heavy historical burdens, which made it difficult to participate in intense market competition; while some bodies were incompetent, with confused internal management.

*3. Financial difficulties remained great.* Financial problems were a comprehensive reflection of the economy. The causes to which financial difficulties could be attributed were: First, weakness in the growth in local financial resources, especially financial resources at county level; second, excessive numbers of personnel for finances to take care of, in addition to fixed increases in financial expenditure, such as wage reform, increased subsidies, and raising of standards in administrative units and institutions; third, excessive expenditure in addition to grave waste; and fourth, loose control over tax collection, with no sign of elimination of tax evasion.

*4. Ugly phenomena in society and corruption remained relatively conspicuous in some places.* There was a revival of social evils that disgust the people, such as prostitution and visiting prostitutes, drug addiction and trafficking, and assemblage to gamble, while the crimes of abducting women and children and stealing and smuggling historical relics ran amok in some places. A handful of law-enforcement workers violated the law in law-enforcement, a small number of government workers abused their power, and the bureaucratic style of some administrative organs had extremely bad effects on the masses and damaged the government's image.

Deputies! Reviewing government work last year, we feel there are some intensive experiences, which are mainly the following:

1. It is imperative to implement the principles and policies of the Central Committee and the State Council completely, and to win the concern and support of the central authorities. Under extremely arduous conditions

over the past year, the smooth progress in the building of such important projects, to which people of the whole province have paid great attention, as the Taiyuan-Jiuguan expressway, the project of diverting the Huang He to Wanjianzhai, and the Yangcheng No. 1 Power Plant, the relatively fast national economic growth, and the maintenance of stability of social order are fundamentally attributable to the fact that we have resolutely complied with the overall situation in work set by the Central Committee and the State Council, and resolutely implemented the important measures of the state for macroeconomic readjustment and control. The thinking for our work in many aspects and major practices has won the full affirmation of the central authorities. Last year, General Secretary Jiang Zemin and 20-odd party and state leaders one after another came to Shanxi to inspect our work, and gave us great encouragement and support, thus making all the firmer our confidence in overcoming difficulties and doing a good job in our work.

2. It is imperative to do things for the ordinary people in a down-to-earth way to win their understanding and trust. Over the past year we have focused efforts on doing a lot of substantial work closely connected with the people's livelihood, while on the other hand we have exerted great efforts to grasp firmly a number of major projects that have a bearing on Shanxi's long-term economic and social development, enabling the people to see their immediate as well as long-term interests. Thus they consciously plunged into economic construction, stirring up great enthusiasm for work, and governments at all levels have also gained tremendous strength from the masses.

3. It is imperative to resolutely grasp the focus as well as bottlenecks, and work hard to resolve the main contradictions and weak links in economic construction. Over the past year there have been relatively more problems in Shanxi's economic and social development, involving many aspects. To resolve those problems, we did not divide our strength evenly, but focused our energy on grasping two key issues, namely, reinvigorating state-owned enterprises and accelerating the development of enterprises in townships and towns, and grasped "hot spots" of the people's concern, namely punishing corruption and social security, and paid attention to grasping the building of basic industry and infrastructure and basic industries that have a bearing on national economic development. It was precisely because we grasped those crucial issues that work in all areas was brought along, thus guaranteeing the smooth progress of the national economy and socialist cause across the province.



4. It is imperative to firmly adhere to reform, opening up, and the spirit of hard work in the face of difficulties. Shanxi is located in the hinterland, with relatively poor natural conditions, and relatively backward economically. To catch up with advanced regions, it is imperative for Shanxi to raise the level of reform and opening up. On the other hand, it is imperative to bring forth the glorious tradition of Shanxi people; to exert great efforts to make the country strong, and work hard and perseveringly in pioneering projects. To get rid of poverty, reinvigorate Shanxi, and make the people well off, people across the province have struggled hard amid difficulties over the past year, pursuing with their diligence and wisdom a magnificent cause that will go down in history. Especially in building the three projects, such political advantage has been given full play, with many miracles created. Builders of the project of diverting the Huang He to Wanjiazhai strove day and night in their struggle against mountains and the river; the builders of the Taiyuan-Jiuguan expressway went all out amid the Taihengshan ridges all year round against scorching heat in summer and bitter cold in winter; small peasant households along the way sacrificed their own houses for a greater cause, which embodied their spirit of selfless dedication; and people across the province enthusiastically donated money or materials to support key projects with practical actions. Villagers of several generations of Lingchuan County's Xiyagou Village have advanced wave upon wave over 10 consecutive years, finally opening up a highway via sheer precipices and overhanging rocks. All this vividly illustrates that as long as we adhere to reform and opening up, as long as we adhere to working hard and perseveringly, it is possible to tap the tremendous strength within the masses; and that is precisely where the hope for reinvigorating Shanxi and accelerating development lies!

## II. Government Work in 1995

The crucial year for comprehensively fulfilling the Eighth Five-Year Plan is 1995; and it is also the year when necessary preparations must be made for the Ninth Five-Year Plan. Doing a good job of this year's work serves as a link between past and present. The general guiding thinking for government work this year is: Take Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line as guidance, implement the spirit of the 14th party congress and the Third and Fourth Plenary Sessions of the 14th CPC Central Committee in a comprehensive way, continue to adhere to the principle "grasp the opportunity, deepen reform, expand opening up, promote development, and maintain stability," and earnestly implement Shanxi's strategy for development and reform. Pushing forward various reforms by centering around doing a

good job of state-owned enterprises, augment the foundation of agriculture, reinvigorate the industrial economy, increase financial revenue, check inflation, maintain the rapid, healthy development of the national economy, work hard to improve people's living standards, promote overall social progress, and satisfactorily fulfill all tasks set by the Eighth Five-Year Plan.

The major indexes in the plan for Shanxi's economic and social development for 1995 are: Gross domestic product is to increase by 9 percent, of which primary industry is to increase by 3.5 percent, secondary industry by 11 percent, and tertiary industry by 9 percent. Local financial revenue is to increase by 7.8 percent; total volume of retail sales in society is to increase by 16.2 percent; export volume in foreign trade is to increase by 5.8 percent; per capita income for living expenditure of the urban population is to increase by 18 percent; per capita net income of the rural population is to increase by 13.1 percent; and the natural population growth rate is to be kept under 12 percent. This planning package is set forth by taking into consideration the general volume of economic growth, and factors of improvement in economic quality, with a certain leeway. At the same time, considering that the building of the province's infrastructure has been accelerated in recent years, with an increase in factors for economic growth and the easing of some contradictions in economic life, and the people's bubbling enthusiasm in plunging themselves into reform and construction, it is possible for Shanxi to develop still faster. On the basis of soliciting opinions from various sides in an extensive way, we now set the goal of the "five-one" project, namely, striving to achieve a gross national product of 100 billion yuan, proceeds from enterprises in townships and towns exceeding 100 billion yuan, per capita net income of peasants approaching 1,000 yuan, grain output of 10 billion kg, and financial resources at local disposal of 10 billion yuan. This goal is based on objective grounds. Through repeated calculations, the indexes for domestic national product, proceeds from enterprises in townships and towns, and per capita net income of peasants can all be fulfilled provided Shanxi's growth rate in recent years can be maintained. Gross grain output is to be 10 billion kg, up by 1.1 billion kg from the previous year, and up by 100 million kg from the record year. As long as we implement the policies and measures we have set out, with concerted efforts and without any major natural disasters, the target will be reached. We shall strive to acquire financial resources of 10 billion yuan at the disposal of localities in the province. That will be a tough target, involving relatively great difficulties. Shanxi's financial resources at the disposal of localities has increased comparatively fast over the past two years; those of 1993 increased by 23.1 percent

from the previous year, and those of 1994 increased by a further 27.5 percent. This year the growth rate will be 20.6 percent, which is lower than the growth range of the previous two years. As long as we pay attention to cultivating financial resources, collecting taxes according to law, doing a good job of handling the relationships among the state, the collective, and the individual in the distribution of national income, hopefully we will fulfill the target. We have set out the "five-one" project not only to ease the present economic difficulties, but more importantly to increase the pressure on governments at all levels so that cadres at all levels will brace up and focus their energy on economic construction, seizing the opportunity to accelerate development and overcoming difficulties by reliance of their own strength, and so that they will unite and bring along the broad masses to create a vivid situation in which all unite as one and strive in all-out efforts to augment the province's economic strength and lay the foundation for faster development from now on.

To fulfill the aforesaid targets, it is necessary to give prominence to the key, make overall arrangements, and work hard to do a good job of work as follows:

**1. Mobilize the people of the whole province to focus efforts on doing a good job of the "four major campaigns," with fulfilling the "five-one" project as the goal**

To fulfill the goal of the "five-one" project, it is imperative to direct efforts to augmenting the foundation of agriculture, reinvigorating the industrial economy, increasing financial revenue, and halting inflation. These are the "four major campaigns" in the province's economic work this year as well as the focus of work of governments at all levels.

*It is imperative to develop agriculture and the rural economy in a big way, and steadily increase the effective supply of farm and sideline products and peasants' income.* Agriculture is the foundation of the national economy. The issues of agriculture, the rural areas, and the peasants have always been matters of primary importance. People's governments at all levels should by no means neglect agricultural production on the grounds that there have been bumper harvests for several consecutive years and the peasants have a greater store of grain in their barns; by no means should they neglect rural issues on the grounds that the rural economy has developed relatively faster since reform and opening up and the broad rural areas are relatively stable; nor should they neglect peasant issues on the grounds that the state has readjusted prices for farm and sideline produce and peasants' incomes have somewhat increased. It is imperative to genuinely see that stabilizing agriculture, the

rural areas, and the peasants means stabilizing the overall situation. It is imperative to give the issues of agriculture, the rural areas, and the peasants top priority in economic work; it is imperative to genuinely adopt effective measures to augment leadership in agriculture. We must do everything we can to increase the supply of farm and sideline products, to increase peasants' incomes, and to increase agricultural input. To increase agricultural input, it is necessary to rely on the masses as well as the government. It is imperative to implement earnestly the "Regulations on Agricultural Investment." Special funds for agriculture must be guaranteed and not to be diverted to other uses. Rural collective economic organizations and individual peasants should be actively guided to increase capital input and labor accumulation. Measures should be taken to improve economic returns in growing grain crops. It is necessary to expand the area planted to grain and cotton, accelerate the building of bases for commodity grain and cotton, and work hard to expand the area sown to maize to 1 million mu. We shall adhere to reinvigorating agriculture with science and technology, with the focus on spreading practical technology with greater potential for increasing output. We shall fulfill pattern cultivation in planting, expand the area sown to improved varieties and vegetation, spread dry as well as water-saving farming, and increase output per unit area. We shall readjust the internal structure of agriculture on the basis of stabilizing grain and cotton production. It is imperative to adhere to afforestation and develop forestry and fruit orchards in a big way by utilizing Shanxi's characteristics of an abundance of hill slopes and its climate and soil texture. We shall build bases for good-quality apples, pears, dates, walnuts, and almonds by suiting measures to local conditions. We shall develop animal husbandry, with the focus on doing a good job of building bases for hogs, cattle, sheep, eggs, and milk products. We shall improve agricultural production conditions with the focus on regulating rivers and water courses and improving the soil. We shall continue to promote improvement of small river valleys. We shall accelerate the improvement and transformation of beaches along the Huang He, the Fen He, and the Hutuo He, as well as the saline-alkaline soil in Datong and Shuozhou, with an increase for the year of 1.2 million mu of highly effective, water-saving, mainly pipe-irrigated farmland. We must earnestly implement the "Law on Agriculture" and the "Law on Land Administration" to earnestly protect farmland, especially irrigated land. The development of enterprises in townships and towns is the inevitable road for the rural areas to become comparatively well-off. It is necessary to develop shareholding cooperative enterprises and enterprise groups by absorbing peasants as shareholders through investment with such production

essentials as capital, land, and labor on the principle of voluntariness and mutual benefit to create a range of economic effects and recreate [as published] advantages in mechanism of enterprises in townships and towns. We shall guide enterprises in townships and towns to increase input, and step up the pace of transformation and restructuring to improve quality. We shall earnestly implement the 1987 plan for tackling bottlenecks in supporting the impoverished and expand the scope of providing work relief, with the focus on supporting impoverished areas in building highways, improving capital construction of farmland, and resolving problems of drinking water supply for both people and domestic animals. This year Shanxi will strive to enable 1 million people initially to shake off poverty. We shall stabilize the party's basic rural policies, adhere to, complete, and perfect contracted responsibility with the system of contracted household responsibility related to output as the key as well as the two-tier operational mechanism characterized by the combination of unification and separation, and develop the rural socialized service system. We shall basically complete the work of prolonging the time land is contracted for, and expand the auctioning of the use right of "four wastes." We shall halt irrational charges, fund collection, and apportioning in various categories, and work hard to lighten the peasants' burden.

*It is imperative to do a good job of state-owned enterprises, and work hard to improve the quality of economic growth.* State-owned enterprises, especially large and medium-sized enterprises, are the backbone and guiding force of the national economy, and an important economic base to consolidate the socialist system. The key to reinvigorating the industrial economy still lies in doing a good job of state-owned enterprises. It is necessary to implement the strategy of promoting "reform, reorganization, transformation, and management" as an entirety, while exerting efforts on basic work, that is, doing a good job of selecting factory directors, developing products, accelerating transformation, and strengthening management, so that enterprises may have good mechanisms in addition to good products, sound management, and sound leading bodies. In particular, attention must be paid to cultivating and bringing up a contingent of entrepreneurs who meet the requirements of market economic development. Governments at all levels must continuously create a sound external environment for enterprise development, and adopt practical measures for resolving enterprise debts. It is necessary to increase the level of technological transformation in enterprises. In the next two or three years, an investment of 11.8 billion yuan will be made in 59 projects of technological transformation with relatively great effect on Shanxi's economic development, with promi-

nence given to 30 enterprises, centering around 36 fist products, with the aim of making this batch of enterprises undergo great change in their levels of technology and equipment as well as economic returns, and become pacesetters in their trades. At the same time, we have made arrangements for 146 "short-cycle, appropriate-technology, and high-efficiency" projects with high scientific and technological content and good economic results. These projects will enjoy effects in the very first year of investment, and are estimated to produce an increase in gross sales of 1.99 billion yuan and additional profits and taxes of 289 million yuan. It is necessary to unfold activities of "converting mechanisms, grasping management, tapping internal potential, and increasing economic returns" in depth, and to augment control over human resources, costs, capital, and quality, so that the province's marketing rate for industrial products will reach 96 percent, collectible credit will be cut by 20 percent, and the turnover rate of circulation funds will accelerate by 2 percent. It is necessary to continue doing a good job of rectifying coal production, transportation, and marketing, ironing out structures, unifying policies, augmenting management, and smoothing coordination to build a sound order of production, transportation, and marketing to give full play to Shanxi's advantages in coal economy.

*It is imperative to enthusiastically cultivate financial resources, strengthen control over taxation and tax collection, and work hard to increase financial revenue.* Finances reflect economy, which in turn determines finances. In resolving financial difficulties, by no means should we grasp finances for their own sake; we must correctly handle well the relationship between creating and amassing financial resources, and base ourselves on developing the economy, cultivating financial resources, and improving effects. According to our financial budget, the financial resources at the disposal of localities are 9 billion yuan, with a 1 billion yuan shortfall in hitting the target. We shall reach the target and increase financial revenues by adopting such measures as changing the situation of state-owned enterprises suffering deficits, reducing overstocking, promoting sales, and weeding out debt arrears; actively supporting the development of enterprises in townships and towns, enterprises in the private sector, and the individual economy; strengthening tax collection and the administration of farm produce, forestry by-products, and special local products; and reforming the system of transferring land-use rights of state-owned land. Governments at all levels must achieve a concept of the overall situation, and support taxation departments in doing a good job of tax collection. It is imperative to further strengthen tax collection and administration, administer taxation strictly according to the law, work hard to weed out arrears of



tax payment, severely penalize tax evasion, and safeguard the authority and solemnity of the taxation law. It is imperative to continue to do a good job of administrative organizational reform, streamline the establishment, and discharge surplus personnel to reduce the financial burden. At present the phenomena of extravagance and waste remain relatively serious. It is necessary to unfold activities in "double increase, double reduction." Governments at all levels must do their utmost to practice economy and oppose extravagance and waste. The principle of tightening must be adhered to in financial expenditure, with greater budgetary restrictions. This year, administrative units and institutions are not to purchase cars on principle; where there is an actual need, existing cars can be employed through regulation. Conferences must be cut down in a big way, with expenditure reduced. The numbers of personnel and investigation teams or groups as well as activities of inviting investment "in the form of festivals" without any substantial content must come under strict control. We shall work hard to realize a basic balance of financial revenue and expenditure through increasing revenue and cutting back spending.

*Down-to-earth measures must be adopted to stabilize market prices and halt inflation.* Inflation is liable to confuse economic relationships, misguide allocation of / C:\COPY\WED W581406.03E resources, and distort the pattern of interest distribution, resulting in social instability. Governments at all levels should not have the wrong idea that the living standards of the masses have somewhat improved and that they can bear excessively high and fast price rises; nor should they have the wrong idea that the development of the market economy means lifting all price restrictions, free of control; nor should they hold the view that price control is quite beyond them and a matter that concerns higher authorities. It is imperative to give top priority to halting inflation in macroeconomic regulation and control this year, and to conduct comprehensive improvement through various channels. We shall exert great efforts to do a good job of the "grain sack" and "vegetable basket" projects, and increase effective market supply. Generally, no more new price readjustment measures will be presented this year. We must do our best to stabilize prices for basic consumer goods that have a bearing on the masses' livelihood. Governments at provincial and prefectural (city) levels must set up risk funds for grain and non-staple foods, and implement special-item reserves of such major goods as grain, hogs, and sugar. Timely purchase and selling must be conducted to stabilize prices and the market. We shall strengthen price control, make the monitoring and control network complete and healthy, be strict with the report system for price rises, keep the differential rate between wholesale

and retail under control, and ban exorbitant profits. We shall firmly crack down on such lawbreaking behavior as turning out fake and inferior goods, attempts to monopolize the market, jacking up prices, and speculation. The system of explicit price marking will be spread and standardized, to become a form of social supervision. We shall halt expansion in demand, and keep the investment scope of fixed assets and the growth in consumption funds within a rational scope. At the same item, we must show concern for the livelihood of people in impoverished areas, those in low income brackets, and retirees, and help them resolve their difficulties in a down-to-earth way.

Deputies! The "four campaigns," and the "five-one" project are important decisions to step up the pace of Shanxi's economic development. These decisions are the outcome of implementing a series of principles and policies set out by the CPC Central Committee and the State Council, and embody the overall situation in the work of the whole party and the whole country. They firmly grasp the key issues in Shanxi's economic development, and embody the province's strategy for development and reform. These decisions make explicit the goal of struggle of the whole province from top down, and embody the basic interests and common aspirations of a population of 30 million. We are firm in the belief that through our unremitting efforts in winning the "four campaigns," and fulfilling the "five-one project," Shanxi's national economic development will achieve great progress, its people's quality of life will be elevated to a new plane, and the various undertakings in construction in the province will surely enter a new phase of development!

**2. Take improving the quality of economic growth and effects as the key, unswervingly adhere to laying the foundation, and never relax in increasing staying power**

Attention should be paid to the volume of economic growth, and the more so to the improvement in the quality of the economy in its entirety. In recent years, Shanxi has focused energy on grasping the "three basics," and "four keys," worked hard at restructuring, and accelerated reorganization and transformation; all this is for improving the quality of economic growth, has become a common understanding from top down across the province, and should be firmly grasped. We shall continue to adhere to the principle of seeking truth from facts, accelerate reorganization and transformation, go all out, put effects above all else, and focus efforts on insuring key projects, those projects to be put into production within the year, and the completion of leftover projects. In coal mine building, it is imperative to guarantee the completion of national projects to be

expanded or newly built. As to local coal mines, the main task is to do a good job of joint operation and transformation. In power building, it is necessary to go all out to step up the building schedule of Yangcheng No. 1 Power Plant, and grasp firmly the preparations for Wangqu Power Plant. At the same time, it is necessary to do a good job of forming a whole range of power networks and the transformation of old power plants. With regard to water conservancy building, it is necessary to focus efforts on such important water resource projects as diverting the Huang He to Wanjiazhai and resolving the drinking water supply difficulties of 3 million people in around four years. In highway building, the key remains the Taiyuan-Jiuguan expressway, the Taiyuan-Dongshan transit highway, and the Taiyuan-Changzhi, Fenyang-liulin, and Yuncheng-Fenglingdu trunk highways; and the eastern and western sections of the Taiyuan-Jiuguan expressway; while it must be guaranteed that the Wushu flyover crossing will be completed and put through within this year. Appropriate arrangements based on financial resources should be made regarding building other highways so that every highway built will be completed and bring benefits. We shall work hard to fulfill the tasks of completing oil-transporting routes linking every town, a highway network linking every township, and roads for motor vehicles leading to all administrative villages.

To accelerate Shanxi's economic growth, it is imperative to actively push forward the conversion from mainly extensive to mainly intensive operation in the manner of growth, and to improve the efficiency of the allocation of production essentials through readjustment of the product mix as well as enterprise organizational restructuring. Attention must be paid to the effects of optimal structure, scope of operation, and progress in science and technology, and a new axis [ji 2817] of economic growth enthusiastically nurtured. First, it is necessary to step up the pace in implementing product strategy. We shall develop fist products, famous-brand and good-quality products, exports that will bring in foreign exchange, and new, high-tech products, and expand production of products with advantages, which will gradually form a certain range. Second, it is necessary to accelerate readjustment in the industrial setup. While focusing on doing a good job of in-depth processing of coal and giving play to the advantages of coal resources, we shall develop industries with strength and prospects such as power, iron and steel, aluminum, and building materials to promote the pluralism of pillar industries of the province. In addition, we shall develop the consumer goods industry to push the industrial setup to become rational step by step. Third, it is necessary to accelerate the development of the non-state-owned economy, to encourage the "marriage [lian yin jie qing 5114 1215

4814 6024]" of the non-government-run economy with the state-owned economy to realize the mutual complementarity of advantages. In developed areas, it is necessary to adopt more flexible policies and measures to support the individual economy and the private sector of the economy. Fourth, it is necessary to accelerate economic growth within the county, to suit measures to local conditions, and to form the county's own characteristics. In farming areas, attention should be paid to developing processing industries of farm and sideline products on the basis of stabilizing and increasing grain and cotton output and developing production of cash crops and animal husbandry. In counties and prefectures where mineral resources are abundant, efforts should be made to develop deep processing of resources. Suburban counties should face the cities and develop production of vegetables, meat, and milk, and take an active part in combining with urban enterprises to develop processing industries and service trades. And fifth, it is necessary to accelerate the development of tertiary industry. We shall adhere to the principle of joint efforts by the state, the collective, and the individual, and develop trades that are closely connected with the production and livelihood of the masses with great capacity for employment; newly rising trades connected with progress in science and technology; and intellectual-type trades such as information, consultancy, accounting, and auditing. Effective measures must be adopted to develop Shanxi's tourist resources and tourist products so that the tourist industry may become a key industry in Shanxi as quickly as possible. We shall not develop the economy at the expense of the environment. Governments at all levels must attach great importance to environmental protection, exert efforts to improve the ecological environment, and improve people's quality of life. We shall start from basic work to improve our ability to fight such natural disasters as earthquakes and floods to safeguard people's lives and property.

### **3. Take deepening the reform of state-owned enterprises as the key, enthusiastically push forward various reforms, and further expand opening up to the world**

Economic restructuring this year should take reform of state-owned enterprises as the key; push forward restructuring of social security over a whole range; consolidate, complete, and perfect macroeconomic managerial restructuring; actively develop the market system; and continue to advance in the direction of building the socialist market economic structure.

*It is imperative to implement the separation of government and enterprise, and actively push forward the building of the modern enterprise system. We shall earnestly implement the "Regulations for Conversion,"*

implement the "Regulations for Supervision and Control of State-Owned Enterprise Assets" as quickly as possible, continue to implement enterprise autonomy in operation, augment control over state-owned assets, and implement separation of function and responsibility of government and enterprise. With regard to reform of large and medium-sized state-owned enterprises, the key lies in doing a good job of the pioneering work of 30 enterprises in setting up the modern enterprise system to iron out relationships of property rights, making explicit the subjective aspect of investment, gradually realizing the separation of the function of the owner of state-owned assets and that of the social administrator, and gradually realizing the separation of the government's function of administration of state-owned assets and the function of operation. In respect of reform of small enterprises, it is imperative to implement earnestly the spirit of the provincial forum on reform of medium-and small-sized enterprises, steadily push forward reform of the property rights system, and strengthen enterprise vitality and vigor. Regarding those enterprises that have suffered deficits for a long time without any hope of changing the situation, and which are unable to pay their due debts, some of them may directly implement bankruptcy, while others may suspend production and then implement reorganization, or be auctioned. Reform of the enterprise property rights system should be explored enthusiastically, while paying attention to standardized operation to prevent the loss of state-owned assets. It is necessary to combine reform, transformation, and reorganization of enterprises, develop region-straddling, trade-straddling and ownership-straddling large-size enterprise groups, and realize reorganization of production essentials.

*It is necessary to set up and make complete and healthy a social security system, and give prominence to developing pension and unemployment insurance.* We shall earnestly implement the "Labor Law" to guarantee the legitimate rights and interests of workers and staff. We shall continue to complete and perfect the pension insurance system, and implement the method of basic pension insurance for workers and staff as well as the combination of enterprise supplementary pension insurance and individual pension insurance of a savings character, as well as the method of combining overall social arrangements for basic pension insurance with individual accounts to elevate the socialized level of management and service. It is necessary to steadily expand the coverage of unemployment insurance, and raise funds for unemployment insurance through various channels. We shall make appropriate arrangements for staff and workers who need to be diverted to society due to the bankruptcy of enterprises, the selling of state-owned assets, and the readjustment of the industrial setup. We shall

gradually set up the rural pension insurance system, and adopt the method of combining peasant voluntariness with government guidance to develop rural insurance undertakings. It is necessary to accelerate reform of the insurance system in medical care, work accidents, and maternity care. We shall push forward reform in the housing system in a comprehensive way; and do a good job of reform in the systems of social relief, social welfare, and making arrangements for giving special care to disabled servicemen and family members of revolutionary martyrs and servicemen.

*Push forward circulation restructuring, rectify market order, and standardize market behavior.* We shall strengthen control over the market for farm and sideline products as well as production materials, and further rectify the circulation order of such production materials as chemical fertilizers, insecticides, cotton, crude oil, and daily necessities; reduce circulation links; and ban illegitimate operation. Wholesale enterprises must actively implement reform in various forms such as combining wholesale with retail and industry with trade in the direction of expanding agents, conducting pioneering projects in chain stores, and comprehensive operation. Large and medium-sized retail enterprises must continue to complete and perfect the method of "contracted responsibility with sales counters and groups, with wages linked to sales" to deepen enterprise internal reform. The goods and materials system must do a good job of running enterprise groups in the main, and give full play to advantages in their entirety and full range. It is necessary to actively push forward reform of the supply and marketing system, developing the unification of trade, industry, and agriculture as well as production, supply, and marketing so that the supply and marketing cooperative may genuinely become a cooperative economic organization of the peasants.

*Develop the market system, accelerate the building of markets for such essentials as capital and labor.* It is necessary to develop the financial market with the banks accommodating funds in the main, and steadily develop bonds and securities to accommodate funds. Under the prerequisite of attaching importance to the effects of range, we shall actively organize and build urban cooperative banks, develop and strengthen urban and rural credit cooperatives, and standardize investment trust companies. We shall accelerate building of the labor market, and nurture the market mechanism. This year, we will work hard to make work arrangements for 220,000 of the urban work force, of which 170,000 are awaiting jobs, with a job-arrangement rate of 70 percent and up; and a surplus work force of 300,000 will be transferred from the rural areas. We shall give full play to the role of the China Taiyuan coal trade



market, work hard to create conditions for setting up iron, charcoal, and dried fruits trade markets at national level, and open markets in sales areas to increase the market occupation rate of Shanxi's products possessing advantages. We shall develop and standardize the real estate market, strengthen government control over the first-grade land use rights market, and expand the scope of land use rights with compensation and their transfer. We shall protect intellectual property rights, and develop the technology and information markets.

*Consolidate, complete, and perfect measures for reform in macroeconomic regulation and control.* It is imperative to give play to the enthusiasm of the county in economic growth and increasing financial revenue, and determine the structure of financial control of prefectures and cities throughout the county in accordance with the principle of "check and ratify revenues and expenditures, set bases which will remain unchanged for three years, all increases in revenues to be retained, overspending not to be replenished, balance to be sought on one's own." We shall promote investment restructuring, standardize the behavior and fund-raising methods of subjective aspects of various categories, gradually reduce the scope of state investment, and push general processing industry projects into the market. We shall work hard to optimize investment structure, and strictly control new projects and reduce the scope of construction under way. It is necessary to do a good job of making the plan for investment in fixed assets and the plan for finance and credit converge. There must be overall consideration and arrangements in capital construction, technological transformation, and other [as published] social welfare undertakings. With respect to those important projects that have a bearing on overall economic growth, we shall gradually implement the open tender method from top down on a trial basis. Projects as well as their owners will be determined through selection. It is imperative to deepen financial restructuring, promote control over the asset-liability ratio, and continue to do a good job of the separation of banking of a policy nature and commercial banking.

*Further expand opening up to the world.* It is imperative to give full play to Shanxi's advantages in resources and industry. In actively utilizing foreign capital, special attention must be paid to absorbing direct investment by foreign businessmen. Infrastructure and basic industry are the keys in Shanxi's import of foreign capital. At the same time, we shall select 30-50 new high-tech key projects to negotiate with foreign businessmen to utilize foreign capital to import advanced technology and equipment and step up the pace in the grafting and transformation of large and medium-sized state-owned enterprises. We shall adopt multiple forms to develop hor-

izontal combination with coastal and economically developed regions. Those who render meritorious services in importing foreign capital will be highly rewarded; special talents will be invited with high salaries; clients from other provinces who come to Shanxi to initiate or merge enterprises or pursue joint operation will be given preferential treatment. Facing the overseas and the domestic markets, we shall enthusiastically develop foreign trade, augment the building of export bases, and readjust the export product mix. We shall reorganize foreign companies at provincial level to change the present condition of foreign trade operation being small in size and dispersed to meet demand in competition in the world market. We shall select foreign trade enterprises with relatively good conditions to give them focal support, and gradually develop them into comprehensive corporations with trade, industry, agriculture, and finance closely combined.

**4. Take improving the quality of workers as the basis, develop various social undertakings, including science, technology, and education, in a big way, and earnestly strengthen the building of socialist spiritual civilization**

In the final analysis, economic reinvigoration and social development depend on improvement in the quality of workers. It is imperative to give prominence to the development of the scientific and technological and educational undertakings; promote the development of various social undertakings, including culture and art, press and publication, radio, film and television, public health, and sports; attach great importance to ideological and ethical education; and do a good job of building socialist spiritual civilization.

*Adhere to the principle of putting progress in science and technology in first place, promote the development of the unification of science and technology and the economy.* It is necessary to conduct restructuring, convert mechanisms, and build a multiform research-development structure characterized by merging science and technology and the economy into one. We shall enthusiastically spread scientific and technological results, and accelerate the conversion of scientific and technological results into practical productive forces. We shall take those industries with high technological content, great added value, and bright market prospects as the locomotive to augment the staying power of economic growth with developing regional pillar industries as the goal, while focusing efforts on implementing "the project for reinvigorating enterprises with science and technology with an output value of 10 billion yuan," and "the project for reinvigorating agriculture with science and technology to become comparatively well-off." We shall encourage invention and creation, and unfold mass

activities in technological renovation and making rationalization proposals. We shall increase input in science and technology, and set up a multi-tier, multi-channel structure for input in science and technology in society. We shall push research in social sciences and augment work in popularizing science. It is imperative to further create a social environment that respects knowledge and qualified people.

*Earnestly implement the "Program for Educational Reform and Development in China," put education in a strategic position, and give priority to its development.* We shall continue to spread nine-year obligatory education, and strive to make another 23 counties meet the criteria for checking and acceptance this year. Efforts must be exerted to eliminate illiteracy among young and middle-aged people, with 70 counties meeting the target this year. Vocational education will be developed in a big way. We must do a good job of running intermediate vocational schools, and strive to make 30 intermediate professional and vocational schools join the advanced ranks in China. We shall iron out the administrative structure of on-the-job training for adults, and fulfill the task of professional and vocational training for 1 million workers. We shall push readjustment in the layout and structure of institutes of tertiary education and do a good job of building key universities and specialties. Educational input will be increased, educational expenditure to account for over 20 percent of provincial budgetary expenditure. Efforts will be exerted to resolve teachers' housing issues, with additional floor space of 115,000 square meters added to teachers' housing this year. Fine teachers of non-government-run schools numbering 10,000 will be given the status of regular teachers. We shall show concern for pre-school education, and support special education. We shall mobilize social forces to implement the "hope project."

*Develop such social undertakings as culture, public health, and sports in a comprehensive way, and do a good job of building socialist spiritual civilization.* In the course of reform, opening up, and modernization it is imperative to adhere persistently to the principle of doing two types of work simultaneously, attaching equal importance to both, and to strengthen building of spiritual civilization in a down-to-earth way. The key lies in arming cadres at all levels and people across the province with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. It is imperative to implement the "Program for Implementing Education in Patriotism," and the "3399" systematic engineering Shanxi has set, and extensively unfold activities in cherishing, building, and dedication to Shanxi by linking their implementation to the education in patriotism, collectivism, and socialism to stimulate the enthu-

siasm of people across the province to fight for realizing the great goal of reinvigorating Shanxi and making its people prosper. We must give prominence to the theme of socialism, develop in a big way such undertakings as literature and art, press and publication, radio, and film and television, sing the praises of those advanced figures who enthusiastically blaze new trails, strive perseveringly in pioneering work with selfless devotion, and work hard to create fine works that reflect the modernization and reform and opening up of the province. We shall further iron out the administrative structure of the cultural market; strengthen control over the cultural market and rural cultural building; consolidate and concentrate the results of the "crackdown on illegal publications and elimination of pornography"; and develop and support the culture industry. In publication work, it is imperative to implement the principle of "control general volume, readjust structure, improve quality, and increase effects" to publish good books and reject bad ones. We shall implement the plan for primary medical care in the rural areas by suiting measures to local conditions, promote a multiform rural medical insurance system, do a good job of the prevention and treatment of local diseases as well as maternal and child care, and basically realize adding iodine to table salt to eliminate the harm resulting from lack of iodine. We shall widely unfold the patriotic health campaign and mass sports activities to help improve people's physiques. We must pay attention to bringing up qualified people in sports, and elevate the level of competitive sports. We shall continue to support undertakings of the disabled, and work concerning the elderly. We shall promote marriage and giving birth at a mature age and sound child-bearing, with the focus on the rural areas, especially the impoverished areas. We shall implement measures for permanent sterilization in a comprehensive way, and further do a good job of planned parenthood work. We shall strengthen defense education and work in militia reserve duty. We shall unfold activities in supporting the Army and giving preferential treatment to families of revolutionary servicemen and martyrs, and in the Army and the people building the two civilizations through joint efforts, and promote Army-government and Army-people solidarity. We shall attach importance to all-people education in social ethics and professional ethics; unfold activities in depth in creating a beautiful environment, good order, and good-quality services in cities and creating civilized towns, villages, and households in rural areas; work hard to shape a sound social atmosphere characterized by patriotism and dedication, working hard at studies, solidarity and friendship, being ready to take up the cudgels for a just cause, and showing respect for the elderly and caring for the young; and

elevate the building of socialist spiritual civilization to a new level.

**5. Take creating a sound social environment for reform and development as a prerequisite, do a good job of social security, and augment the building of democracy and the legal system**

To augment socialist democracy and complete and perfect the socialist legal system is an important component of building socialism with Chinese characteristics and an indispensable condition for deepening reform and economic development. It is imperative to work hard to strengthen work in this area to create a stable social environment and sound social atmosphere to insure the smooth progress of reform and construction.

*Augment the building of socialist democracy and the legal system.* People's governments at all levels must protect the people's rights in governing state, economic, and social affairs according to law, and set up, complete, and perfect a democratic and scientific decision-making system in a down-to-earth manner. They must earnestly implement the resolutions and decisions of the people's congresses and their standing committees, actively report work to them, and consciously accept their supervision. We shall widen the channels for the CP-PCC, the democratic parties, and nonparty figures to participate in government and discussion of state affairs, and fully implement the functions of political consultation and democratic supervision. Chief responsible persons of governments at all levels must personally hear opinions of the people's congresses and the CPPCC at regular or irregular intervals, strengthen ties with the masses, support such mass organizations as the workers' trade unions, the Communist Youth League, and the Women's Federation in unfolding activities, and earnestly do a good job of handling letters from and visits by the masses. We shall complete and perfect the system of democratic administration by workers and staff in enterprises, give play to the role of urban neighborhood committees, do a good job of building the system of villagers discussing communal affairs, the system of making public village affairs, and the system of village regulations and villagers' pacts. We shall implement the party's policies on minority nationality and religious affairs and give play to all positive factors for their contributing their strength to building Shanxi. We shall augment government work in the legal system, firmly grasp the drafting of local decrees and regulations, and promptly submit them for deliberation by the people's congress standing committee. We shall unfold education in popularizing legal knowledge in depth to strengthen citizens' awareness of the law and concept of the legal system. Civil servants of governments at all levels must take the lead in studying, using, and observing the law,

and adhere to conducting administrative affairs according to the law.

*Do a good job of comprehensive improvement in social security to maintain social stability.* We shall implement the principle of resolutely dealing severe, heavy, and quick blows at criminal activities in various categories according to the law, and focus efforts on putting in order key areas and resolving outstanding issues about which the masses have strong complaints so that there may be a marked improvement in the social security situation. We shall conduct a crackdown in depth on such serious criminal activities as violent crime, armed robbery, train robbery and highway banditry, abduction of women and children, stealing and smuggling historical relics, and sabotaging production and construction installations. We shall impose sanctions according to law on such economic crimes as corruption and graft, bribery and accepting bribes, financial fraud, and smuggling and selling smuggled goods, and resolutely eradicate all sorts of ugly social phenomena such as prostitution and visiting prostitutes, narcotics addiction and trafficking, and assembling to gamble. We shall strictly implement the system of responsibility of leading members for the comprehensive improvement of social security, strengthen control over the migrant population, and do a good job of mass security precautions to maintain sound social order. We shall continue to rectify the law-enforcement contingent and strengthen the political and professional training of law-enforcement workers to improve the quality of the entire law-enforcement contingent.

Deputies! The strength lies with the masses in doing a good job of work in 1995, and the key lies in leadership. For this purpose, it is imperative to further augment and improve government work.

**It is imperative to establish a sound government image.** To serve the people heart and soul is the basic purpose of government work. The fundamental requirement on government organs is the implementation of government policies and orders without obstruction with highly efficient operation. Honesty in performing one's official duty and industriousness and devotion to the people are the behavioral criteria that every government worker must meet. Government workers must firmly establish the concept of being servants of the people and the thinking of serving the people, work for the people, and plan for the interests of the people painstakingly, cautiously, and conscientiously. Those who are in office must not evade difficulties. We must never allow the introduction of the principle of commodity exchange to the activities of government affairs in state organs; and we must never tolerate such a bureaucratic style as showing indifference to the masses and being irre-



sponsible in work. Governments at all levels must focus their energy on, center around, and do everything for economic construction. Failing to grasp economic construction means dereliction of duty and ignorance of one's proper occupation. Government workers must further emancipate their minds; strengthen their sense of reform and opening up; look at situations using the concept of reform and opening up; and analyze contradictions, resolve problems, and overcome difficulties with the methods of reform and opening up. Through reform, we shall genuinely convert government functions and improve work efficiency. Governments must implement whatever decisions party committees make; departments must implement whatever decisions governments make; and lower level subordinates must implement whatever decisions higher authorities make to insure the implementation of policies and orders without obstruction. We must be strict with "administering officials," resist corruption and guard against degeneration, and unfold the anticorruption campaign perseveringly in depth, while paying great attention to guiding the campaign in depth. Supervising departments must strengthen administrative supervision, with the focus on investigating and handling cases involving lawbreaking and discipline violation by leading organs, leading cadres, and law-enforcement, judicial, and economic administrative departments, and strictly investigate and handle cases involving corruption, accepting bribes, abusing power, practicing fraud, perverting justice for bribes, and breaking the law in law-enforcement. Efforts must be focused on resolutely halting unhealthy tendencies in three aspects across the province (namely, arbitrarily setting up check posts on highways to impose arbitrary charges and fines on drivers; imposing arbitrary charges on secondary and primary school pupils; and imposing arbitrary apportioning and charges on peasants). We shall continue to grasp firmly the honesty and self-discipline of cadres at and above county level, and at the same time set out corresponding requirements on personnel holding public office at section level in townships. We shall set up, complete, and perfect effective supervisory and restrictive mechanisms to guard against and eliminate the phenomenon of corruption from an institutional angle. All leading cadres must take the lead in playing an exemplary role, set strict requirements on themselves, and further establish a good image of civil servants. People's governments at all levels must genuinely become governments working hard in the interests of the people, performing official duties honestly, pursuing reform and opening up, and struggling hard in pioneering work.

**It is imperative to bring forward the spirit of struggling hard in pioneering work.** Adhering to self-reliance and struggling hard in pioneering work is one of our successful experiences in overcoming

difficulties to seize victory. To fulfill the heavy tasks for economic construction successfully this year, it is necessary to seek support from all sides enthusiastically; nevertheless, we must always base ourselves on self-reliance. The foundations and conditions of various localities in our province vary, and they all have difficulties and problems in the course of reform and opening up. To do a good job of work, the most effective way is to organize, mobilize, and rely on the masses, and struggle hard in pioneering work together with the masses. To develop the socialist market economy we must likewise adhere to self-reliance, and give full play to our own initiative and creativity. Impoverished areas need to struggle hard in pioneering work; likewise, relatively prosperous areas need to do the same. It is imperative to continue to bring forward the spirit of working hard and perseveringly, building the country and pursuing all undertakings with industry and frugality across the province. People's governments at all levels, and especially leading cadres at all levels, must start practicing it themselves, and take the lead in belt-tightening by making fewer trips abroad, giving fewer banquets, purchasing fewer cars, and holding fewer meetings, while focusing limited financial and material resources on economic construction, so that a few major, substantial, and good things may be genuinely done.

**We must advocate the style of seeking truth from facts and doing substantial work.** Seeking truth from facts is our fine tradition and style. Whether in formulating principles and policies or implementing measures, we must start from the actual situation in everything, respect the objective laws that govern things, adhere to seeking truth from facts, and energetically do away with bureaucratism and formalism. Leading cadres at all levels must go deep into reality, conduct investigation and study, and exert efforts to resolve outstanding contradictions in progress and hot spots of mass concern. They should be bold at shouldering heavy tasks and taking the lead in pioneering work, and be good at planning and doing substantial work to score some achievements. We resolutely oppose such unhealthy phenomena as a showy work style, paying attention to ostentation, and putting on "pompous airs [bai hua jia zi 2369 5363 2665 1311]." We must resolutely halt lawbreaking corrupt behavior such as cheating, making false reports, being prone to boasting and exaggeration, and deceiving those above and bullying those below. Governments and various departments at all levels must continue to implement the responsibility system with work targets so that there can be someone in charge at every tier and in every issue, thus creating a situation in which everyone from top down is doing substantial work and implementation is grasped in every aspect.

Deputies! 1995 is a year full of hope and struggle, and hope lies in struggle. Let us advance in the direction in which we are guided by Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, closely unite around the Central Committee with Comrade Jiang Zemin as the core, unify our thinking with the overall situation in view, strengthen coordination, work in a down-to-earth manner under the leadership of the provincial party committee, and strive to create a new situation in the work of the whole province!

#### **Tianjin's Gao Meets With Ford Auto Officials**

*SK1206041695 Tianjin TIANJIN RIBAO in Chinese  
24 May 95 p 1*

[FBIS Translated Text] On the evening of 23 May, Gao Dezhan, secretary of the municipal party committee, met with Mr. Paulson [name as transliterated], president of the PRC division of the Ford Company of the United States, and his entourage, during which he said: After the convocation of the 43d world table tennis championship of worldwide attention, Tianjin has seized new opportunities with a new attitude, further expanded the degree of opening up, and made better use of foreign capital to accelerate economic development. Tianjin is widely opening its door to the outside world to welcome friends from all countries to make investments and carry out cooperation and to jointly plan for developing great undertakings in Tianjin.

Gao Dezhan said: We warmly welcome the important guests from the Ford Company to come to Tianjin to hold talks on cooperation right after the conclusion of the 43d world table tennis championship 10 days ago. At present, Tianjin is taking steps to seize the new opportunity, to exert efforts to open itself wider to the outside world, and to accelerate economic development. In opening up, we will further enhance the level of using foreign capital, and in developing pillar industries, transforming old enterprises, and building infrastructure facilities in particular, we will make bigger strides in using foreign capital. The automobile industry is Tianjin's foremost pillar industry. In accordance with state industrial policies and the overall plan, Tianjin will further develop its automobile industry and especially develop the production of economy-type sedans. The general plan for developing Tianjin's automobile industry is to maintain and develop the existing advantages, expand the production scale, raise the product level, strengthen competitive ability, and further raise the ratio of products in the market. At present, we will do three things well in line with the state policy for automobile industry. First, we will do a good job in producing vehicle parts, especially motors; second, we should improve the existing Charade cars and comprehensively raise its level;

third, we should base ourselves in the current situation and keep eyes on long-term development.

Gao Dezhan said: The Ford Company is a big transnational company with strength and has done much work in seeking cooperation in China. Tianjin has a very good investment environment and has the advantages and conditions of lands, ports, and coordinated industrial technologies. Many big companies, including many U.S. companies, have made investments and developed cooperation in Tianjin, and achieved a very good level of economic efficiency. At present, we are taking steps to formulate more specific plans to further improve Tianjin's investment environment, enable Tianjin to continuously maintain its status as one of the places in China with the best investment environment and to provide good conditions for its partners, and make the investors see bright prospects in Tianjin. It is hoped that the Ford Company will conduct in-depth inspection, hold talks on cooperation, start with the cooperation on the production of vehicle parts first and then develop large-scale and high-level projects, keep eyes on long-term development, and gear to the needs of the world markets. There are vast prospects for our cooperation.

Mr. Paulson said: I visited Tianjin many times and each time it left a very deep impression. We are very interested in investing in China and are full of confidence about investing in Tianjin in particular. We expect Tianjin's automobile industry to make a leap forward, and have decided to participate in it. We also expect to establish long-term cooperative relations with Tianjin in more fields.

Zheng Zhiying, member of the standing committee of the municipal party committee and secretary general of the municipal party committee, Geng Jianhua, director of the municipal foreign affairs office, Wang Shuzu, chairman of the municipal foreign economic relation and trade committee, and responsible persons of the municipal planning commission, the economic commission, and the automobile industrial company, were also present at the meeting.

### **Northwest Region**

#### **Gansu's 1994 Economic, Social Statistics**

*HK1206020095 Lanzhou GANSU RIBAO in Chinese  
21 Mar 95 p 2*

[Communique issued by Gansu Provincial Statistics Bureau on 20 March 1995: "Statistical Communique of the Gansu Provincial Statistics Bureau on 1994 National Economic and Social Development"]

[FBIS Translated Text] In 1994, the state carried out a series of major reforms in taxation, finance, foreign

exchange, foreign trade, investment, prices, and circulation. The intensity and depth of these reforms were unmatched by past reforms. Under the leadership of the provincial CPC committee and provincial government, people of all nationalities in Gansu fully implemented the spirit of the 14th CPC National Congress and the Third and Fourth Plenary Sessions of the 14th CPC Central Committee, worked closely round the overriding tasks of reform, development, and stability, proceeded from the actual conditions in our province, and seriously put major reform measures into practice in the spirit of progress, pragmatism, and hard work. We worked hard to overcome the difficulties on the way of advance and scored new achievements in various undertakings. The national economy kept its sustained, fairly rapid [jiao kuai 6525 1816], and healthy growth; science, education, culture, public health, and other social undertakings developed in a coordinated way; and the living standards of urban and rural inhabitants continued to improve. Statistics indicate that the gross domestic product (GDP) of the year was 44.649 billion yuan, up by 10.25 percent over the previous year calculated at comparable prices. However, there were still difficulties and problems in our province's economy. The major problems that remained were excessive inflation, the situation where some state-owned enterprises had difficulties in production and operation and were performing poorly had not seen much improvement, the agricultural base was relatively weak, and the work of helping the poor became increasingly difficult.

### I. Primary Industry

In 1994, the value added of primary industry in the province was 10.362 billion yuan, 6.01 percent more than in the previous year, or 23.21 percent of GDP.

Party committees and governments at all levels in the province took the development of the rural economy as the most important task of economic work overall; conscientiously implemented the spirit of the central and provincial rural work conferences; strengthened guidance over agricultural production by taking the battle against drought and the alleviation of disasters as the central task, against the backdrop of repeated natural disasters and continuous drought which lasted from spring through summer and fall; made it our goal to increase output in the production of farm and sideline products and increase peasants' income; and developed the rural economy in an all-round way. Despite serious natural disasters, good harvests were achieved in agricultural production in Gansu. The value added of farming was 7.045 billion yuan, up 3.82 percent, while that of stock-breeding was 3.035 billion yuan, up 17.39 percent from the previous year. Satisfactory results were

achieved in the production and supply of major agricultural products. The output of major farm products was as follows:

	1994 (tons)	% Increase over 1993
Grain	7,069,200	-5.80
Oil-bearing crops	398,800	6.26
Of which: Rapeseed	154,500	8.96
Cotton	17,773.56	38.55
Jute, ambry hemp	2,872.54	2.31
Beetroot	1,131,000	8.11
Tobacco	45,600	-14.29
Of which: Cured tobacco	41,100	-9.27
Medicinal herbs	50,900	-3.78
Vegetables	2,918,700	17.03
Melons	524,700	-6.70
Fruits	664,000	11.30
Tea	175.97	3.01

Steady progress was made in forestry production. The new afforested area in 1994 was 2,655,800 mu, an increase of 162,500 mu, or 6.52 percent, over the previous year. This included 697,700 mu of cash forests. Improvement was made in the quality of afforestation, with survival rate reaching 91.04 percent. The forest cover rate remained at a steady level, and measures against forest fire and forest diseases were enhanced.

Animal husbandry production continued to grow, and the production of meat, poultry, eggs, and milk as well as the number of animals in stock continued to increase. The commodity rate of animal husbandry was 62.91 percent, an increase of 3.31 percentage points over the previous year. The output of major animal products and livestock headage were as follows:

	1994	% Increase over 1993
Total meat output	570,700 tons	8.27
Of which: Pork	405,200 tons	6.10
Beef	69,500 tons	23.89
Mutton	52,400 tons	-1.13



	1994	% Increase over 1993
Poultry and eggs	114,900 tons	12.54
Cow milk	96,200 tons	0.94
Pigs in stock	6,725,000 head	4.25
Sheep and goats in stock	10,772,200 head	5.04
Large animals in stock	6,079,400 head	1.94
Of which: Cows	3,574,400 head	3.52

Further improvements were made in the conditions of agricultural production. By the end of 1994, the total power of farm machinery reached 7,069,300 kw, an increase of 6.51 percent over the previous year. There were 277,800 small tractors, an increase of 6.60 percent. The total power of agricultural irrigation and drainage machines was 1,001,200 kw, up by 1.44 percent. There were 12,200 trucks for agricultural use, up by 5.17 percent. A total of 478,100 tons of chemical fertilizers (100 percent effective equivalent) were applied in 1994, up by 10.29 percent. Rural consumption of electricity in the year was 2.28 billion kw-hours, up by 4.40 percent. Water conservancy facilities in the rural areas were further reinforced. The acreage of farmland with effective irrigation systems reached 13.7147 million mu, 284,700 mu of which were added during the year, and its percentage of total farmland increased to 26.27 percent from last year's 25.85 percent.

## II. Secondary Industry

In 1994, the value added of secondary industry in the province was 17.704 billion yuan, an increase of 10.91 percent over the previous year. Of this total, the value added of industry at or above the township level was 17.253 billion yuan, up by 10.75 percent; that of building construction was 2.451 billion yuan, up by 12.02 percent.

Industry: Through the deepening of reforms and the launching of activities to change the mechanisms of operation, grasp management, enhance skills, and improve performance, industrial enterprises in the province registered steady growth in production in 1994. The total value of industrial production was 64.370 billion yuan, up by 14.00 percent. Among various economic sectors, the growth of the non-state sector showed a strong momentum of growth, while growth of state-owned industries was sluggish. The total value of state-owned enterprises in 1994 was 45.561 billion yuan, up by 5.13 percent; that of collective enterprises was 9.321 billion

yuan, up by 23.52 percent; and that of foreign-invested enterprises was 1.088 billion yuan, up 1.68-fold.

The industrial structure improved somewhat, and the development of light and heavy industries became better coordinated. The value of light industrial production was 15.197 billion yuan, an increase of 10.89 percent over the previous year, while that of heavy industrial production was 49.173 billion yuan, up by 15.17 percent.

### The output of major industrial products was as follows:

	1994	% Increase over 1993
Chemical fiber	19,300 ton	8.36
Yarn	15,800 tons	19.22
Cloth	42,000,000 meters	11.78
Machine-made paper and paperboard	106,900 tons	-4.72
Sugar	97,600 tons	8.68
Salt	53,400 tons	-11.93
Synthetic detergents	30,600 tons	38.31
Color TV sets	44,500 units	-15.95
Household washing machines	405,300 units	62.45
Household refrigerators	39,200 units	13.40
Coal	19,160,100 tons	15.08
Crude oil	2,403,200 tons	62.16
Electricity	24.086 billion kw-hours	5.86
Steel	1,228,400 tons	15.08
Rolled steel	860,600 tons	14.78
Ten kinds of nonferrous metals	472,700 tons	24.21
Cement	5,136,700 tons	-4.83
Timber	340,000 cubic meters	-3.57
Sulfuric acid	463,500 tons	21.86
Soda ash	78,100 tons	14.90
Chemical fertilizers (100% effective content equivalent)	291,200 tons	-2.25

	1994	% Increase over 1993
Chemical insecticides	200 tons	-72.44
Metal-cutting machine tools	700 units	-22.35

Coordination between the production and marketing of industrial goods and the overall economic efficiency of industrial enterprises improved to some extent. In 1994, the composite efficiency index of industrial enterprises was 81.66 percent. The sales value of industrial enterprises (at and above township level) was 52.930 billion yuan, up by 23.53 percent. The sales rate of industrial products was 95.25 percent, and the rate of profits and taxes to capital was 8.16 percent.

Production and operation developed steadily in building construction. The total floor space of buildings under construction by state-owned enterprises was 5,379,700 square meters, up by 2.82 percent, with 1,875,300 square meters completed during the year, representing a drop of 4.95 percent. Overall labor productivity was 26,863 yuan per person, an increase of 21.73 percent.

### III. Tertiary Industry

In 1994, tertiary industry continued its steady growth. The value added of tertiary industry was 14.583 billion yuan, an increase of 12.56 percent over the previous year, accounting for 32.66 percent of GDP. Of this, the value added of transport, posts and telecommunications, and warehousing, was 2.018 billion yuan, an increase of 14.05 percent over the previous year; that of wholesales, retails, and food and beverages was 5.304 billion yuan, up 15.19 percent; that of finance and insurance was 2.497 billion yuan, up 11.01 percent; and that of real estate industry was 768 million yuan, up 14.39 percent.

Transport, posts and telecommunications: In the wake of the development of economic construction, the volume of passenger and freight transport by railways, highways and airways, as well as posts and telecommunications services, in Gansu registered all-round growth. However, there is still a gap between the transport capacity of railways and the needs of economic development, and disequilibrium between supply and demand remained.

#### The volume of transport of different means of transport was as follows:

	1994	% increase over 1993
Volume of freight transport	41,668.23 million kilometers	4.99
Railways	33,201.68 million kilometers	4.40
Highways	8,462.25 million kilometers	7.38
Airways	4,300.7 million kilometers	27.70
Volume of passenger transport	15,065.67 million person-kilometers	7.07
Railways	9,787.76 million person-kilometers	7.06
Highways	4,855.71 million person-kilometers	5.85
Airways	422.20 million person-kilometers	23.65

Posts and telecommunications services saw much faster growth. Switching in prefectures, autonomous prefectures, and cities was done by program-controlled exchanges; telephone services in counties and cities were automated; and transmission at the levels of province, prefecture, autonomous prefecture, and city was digitized. Total business transaction of posts and telecommunications was 515 million yuan, an increase of 40.05 percent over the previous year. There were 390,000 gates of program-controlled telephone switches in the rural areas, an increase of 1.9 times. The functions of paging and mobile telephones rapidly expanded, and telephones became new items of consumption much sought after by families. By the end of 1994, there were 274,000 telephone subscribers in the urban areas, an increase of 72.33 percent over the previous year; there were 23,000 telephone subscribers in the rural areas, up 27.78 percent.

Domestic trade: Our province quickened its work of nurturing and developing markets in 1994. A total of 542 large and medium-sized commercial enterprises in the province had made the switch from the contract management system to the shareholding system. Market development gained momentum, and market transactions were brisk. At the end of the year, there were 1,756 rural fairs in the province, an increase of 4.39 percent over the previous year. These included 448 specialized and wholesale markets and 97 markets for the means of pro-

duction, with total volume of transactions registered at 10.896 billion yuan and 2.657 billion yuan respectively. These markets not only had a large capacity, but were becoming more standardized in their operation. They played a useful role in the distribution of resources in the development of the socialist market economy.

There was ample supply in the consumer goods market, and sales were brisk. The sales volume of consumer goods in the year was 18.096 billion yuan, an increase of 24.34 percent over the previous year. An obvious change in the retail market was that the rural market further heated up, and its rate of growth exceeded that of urban areas. Retail sales of consumer goods in the urban areas amounted to 12.989 billion yuan, an increase of 21.52 percent over the previous year, while sales in the rural areas amounted to 5.107 billion yuan, up by 32.12 percent. The following is a comparison of the volume of retail sales in various economic sectors in 1994 and 1993: Retail sales of state-owned commercial units increased by 13.65 percent to 7.035 billion yuan; that of collectively-owned commercial units dropped by 2.7 percent to 2.974 billion yuan. The market for the means of production was slow. The total volume of purchase by supply and marketing enterprises at and above the county level dropped by 35.3 percent to 4.05 billion yuan, while total sales dropped by 43.6 percent to 4.119 billion yuan.

Banking and insurance: The new strides made in the reform of the financial system accelerated the turn for the better in the financial order in 1994. Savings deposits and credits of financial institutions in the province both registered substantial increases. Urban and rural savings deposits grew steadily, and money supply was sufficient to cover normal expenditure. Savings in various forms of financial institutions in the province at the end of the year totaled 46.564 billion yuan, 10.659 billion yuan more than in 1993. Credits amounted to 49.595 billion yuan, 10.723 billion yuan more than in 1993. Increases in savings and credits both exceeded 10 billion yuan, the highest figures ever recorded. Savings deposits in the urban and rural areas in the province at the end of the year increased by 2.801 billion yuan, or 64.74 percent, to 7.128 billion yuan. Of this total, savings by rural households increased by 63.90 percent, and savings by urban households increased by 64.88 percent, both all-time records.

Considerable progress was made in insurance services. In 1994, the total accepted insurance premiums increased by 38.43 percent over the previous year to 91.969 billion yuan. Of this total, the accepted premiums of foreign businesses totaled 20.656 billion yuan, up 1.28-fold, and premium income increased by 31.69 percent to 536 million yuan. Insurance departments

achieved satisfactory results through the deepening of reforms, the change of operational mechanism and the improvement of management. A total of 6,872 enterprises (excluding small industrial or commercial businesses) and 702,800 families in the province took out property insurance policies. As many as 3.564 million people had personal insurance coverage. A total of 129,700 claims by domestic and foreign clients were handled during the year, and indemnities paid amounted to 228 million yuan. Insurance thus paid a positive role in stabilizing the economy and the people's livelihood.

Foreign economic relations: In 1994, the smooth implementation of reform measures introduced by the state with respect to foreign trade and foreign exchange control effectively promoted the development of foreign trade in the province. The total volume of import and export trade was \$509.60 million, an increase of 5.21 percent over the previous year. Of this total, the value of exports was \$373.43 million, up by 31.74 percent, while the total value of foreign trade purchases amounted to 3.052 billion yuan.

New headway was made in the utilization of foreign capital. A total of 182 foreign-invested enterprises were newly registered in the year, with investment amounting to \$180 million. Of this total, \$82 million was in the form of foreign capital, \$26.76 million of which was actually in place. International tourism: The opening of the country to the outside world further promoted the development of tourism. China received 81,100 overseas tourists in 1994, an increase of 11.82 percent over the previous year. Foreign exchange income from tourism was \$64.26 million, up by 28.14 percent.

Science and technology, education, and culture: Scientific and technological progress received greater attention, and financial input to science and technology continued to increase. According to estimates, the expenditures of the three types of institutions on scientific and technological activities and funds for scientific undertakings in the year increased by 26.1 percent and 25.7 percent to 14.50 million yuan and 45.19 million yuan, respectively. China had 342,000 professionals and technicians of all specializations working in state-owned enterprises and institutions at the end of the year. A total of 324 key technological projects at and above the provincial and ministry levels were completed in the year, four of which won state awards. During the year 537 patent applications were accepted, of this total 344 applications were authorized. Science and technology became more closely integrated with production. As many as 1,531 scientific and technological achievements were transferred to industrial enterprises. Quality inspection services were further improved. There were 61 quality



inspections organs and five state monitoring centers at the end of 1994.

Further progress was made in educational undertakings. To meet the demand for talents in the development of the socialist market economy, institutions of higher education and secondary vocational schools accelerated their readjustment of specializations and curricula. Occupational skill training at diverse levels and in diverse forms developed vigorously. Further progress was made in the reform of the systems of recruitment and job allocation for graduates, and further improvement was made in various methods of running schools. In 1994, the enrollment of new graduate students was 655, 38.20 percent more than in the previous year, and the number of students taking graduate courses was 1,579, up by 20.7 percent. Ordinary institutions of higher learning took in 14,700 new undergraduate and special-course students, up by 16.1 percent, and the total number of enrolled undergraduate students was 45,200, up by 11.5 percent. Secondary vocational and technical education continued to develop. There were 129,000 students studying in these schools, 2,549 more than in the previous year. Total student enrollment at senior secondary school level was 157,300, basically the same as in last year. Basic education steadily developed, with 722,700 students enrolled in junior secondary schools. There were 2,616,400 students in primary schools, an increase of 4.62 percent. The enrollment rate of primary school-age children was 96.35 percent, and the dropout rate of students in ordinary junior secondary schools and primary schools was 6.58 percent and 3.50 percent respectively. Adult education became more diverse in form, and technical training vigorously developed. In 1994, institutions of adult higher education took in 6,077 new students in their undergraduate and special programs, thus raising student enrollment by 10.4 percent to 13,200. There were 45,800 students in adult secondary specialized schools, an increase of 36.90 percent. A total of 938,700 students completed adult technical training schools. As many as 314,500 people completed basic literacy courses, 33.70 percent more than in the previous year.

The vigorous development of cultural undertakings, journalism, publishing, and television enriched the spiritual and cultural life of the urban and rural inhabitants and played a positive role in the promotion of socialist cultural and ideological progress. At the end of 1994, there were 78 performing groups, 83 cultural centers, 86 public libraries, 52 museums, 1,152 film projection units, 30 radio broadcasting stations, 24 radio transmitting and relay stations, 13 television stations, and 26 television transmitting and relay stations each with a capacity of over 1,000 watts. A total of 60.727 million

copies of 1,279 books, 55.015 million copies of magazines, and 212.33 million copies of newspapers were published in the year.

**Public health and sports:** Public health undertakings continued to develop. By the end of 1994 there were 4,134 medical and health organs, including 1,829 hospitals, in the province. There were 52,041 hospital beds in the province, 1.5 percent more than in the previous year. There were 81,000 full-time health workers in the province, including 38,100 doctors, up by 6.5 percent, and 18,400 nurses, up by 5.8 percent.

Significant headway was made in sports. Athletes of our province exerted themselves and won 12 medals, including three gold medals, seven silver medals, and two bronze medals, in major international sports events. They also won 61 medals in major national sports meets. These included 25 gold medals, 18 silver medals, and 18 bronze medals.

#### IV. Investment in Fixed Assets

Investment in fixed assets developed at an appropriate pace. Total investment in fixed assets was 15.92 billion yuan, an increase of 30.4 percent over the previous year. Of this total, investment made by state-owned units was 12.49 billion yuan, up by 27.91 percent; investment made by foreign businesses, shareholding enterprises, and associated enterprises was 1.03 billion yuan, up by 264 percent; and investment made by urban and rural residents was 1.56 billion yuan, up by 28.3 percent.

In investment made by state-owned units, investment in capital construction was 8.291 billion yuan, an increase of 45.5 percent over the previous year; investment in technical innovations and transformations was 3.14 billion yuan, up by 13.87 percent; and investment in real estate was 553 million yuan, up by 13.8 percent.

Swift progress was made in the construction of infrastructure and key projects in the province. At the beginning of 1994, it was decided that 15 key projects should be partially or completely put into operation during the year. By the end of the year 14 of these had fulfilled the planned requirements. A number of key transport, irrigation, and telecommunications projects, such as the project to divert Da to Qin [yin da ru qin 1714 1129 0354 4440], the second phase of the Jing power plant [jing dian 2529 7193], the double tracking of Lanzhou-Urumqi Railway, and the building of the Baozhong Railway, the Xining-Lanzhou-Urumqi optical cable, and the Zhongchuan and Tianbei expressways were completed and put into operation. Some of these had begun to yield benefits. Investment returns improved, and capital construction projects with a total area of 2.88 million square

meters were completed, an increase of 19 percent over the previous year.

The newly-increased production capacity through major capital construction projects included 98 kilometers of electrified railways, 115 kilometers of double rail lines, 10,000 tons of copper, 700,000 tons of steel, 1.06 million tons of sintered iron ore, 1,000 tons of organic farm chemicals, 36,000 tons of electrolytic aluminum, 37.1 kilometers of expressways, 1,814 kilometers of optical cable, 210,000 telephone lines in urban areas, and 370,000 mu of additional irrigated areas.

### V. Prices

To meet the needs of the socialist market economy, reform of the price system and price management system developed at a faster pace in 1994. The state also substantially raised the prices of raw coal, crude oil, natural gas, processed oil, chemical fertilizers subject to unified allocation, and grain and cotton. These played a positive role in promoting the establishment of the socialist market economy, straightening out price relations, accelerating the development of basic industries, and readjusting the industrial structure, particularly in increasing the incentive for peasants to grow grain and cotton. Owing to increased efforts on the part of the state to reform the price system, as well as other factors, the general market price level in the province increased substantially in 1994.

1. Prices of consumer goods:	23.70
Urban:	24.60
Rural:	23.50
(1) Food	30.80
(2) Clothing	16.70
(3) Household facilities and articles	12.80
(4) Medical and health care	13.80
(5) Transportation and telecommunications	14.10
(6) Recreational, education and cultural facilities	11.10
(7) Housing	28.90
(8) Services	17.90
2. Retail prices	22.50
Urban:	21.50
Rural:	25.20

3. Factory prices of manufactured products	21.16
4. Prices of agricultural capital goods	23.20
5. Purchasing prices for farm and sideline products	45.90
6. Purchasing prices for fuel, energy and raw materials	18.26

### VI. Population and People's Life

According to sample surveys, the birth rate in the province was 20.82 per thousand and the death rate 6.84 per thousand, resulting in a higher natural growth rate of 13.98 per thousand. Net population growth was 330,000, and total population by the end of 1994 was 23.78 million.

Household income in the urban and rural areas continued to increase. According to sample surveys, the annual per-capita income of urban households for living expenses was 2,457 yuan, up by 33.6 percent over the previous year. The per-capita net income of rural households was 722 yuan, up by 31 percent.

Labor reform intensified, and the employment market was further opened up. There were 218 employment agencies in the province. A total of 478,000 people were registered for job placement, 96,000 people were given jobs in cities and towns. At the end of 1994, the unemployment rate was 3.6 percent.

At the end of 1994, the number of staff and workers in the province stood at 2.569 million, an increase of 0.4 percent over the previous year. Of this total, 2,091 million were in state-owned units, up by 2.1 percent; and 462,000 people were in collectively-owned units, a drop of 0.4 percent. The total wage bill of staff and workers in 1994 was 11.47 billion yuan, up by 29.9 percent; the average annual wage of staff workers was 4,476 yuan, up by 30.8 percent.

Urban and rural living conditions further improved. According to sample surveys, per-capita living space of urban residents was 10.44 square meters, 1.48 square meters or 16.52 percent more than in 1993. Per-capita living space of rural inhabitants was 14.54 square meters, 5.59 square meters or 62.46 percent more than in 1993.

Social welfare work continued to develop. At the end of 1994, there were 1,510 social welfare units in the province, with 37,000 people working in these units. There were 7,398 beds in social welfare institutions of various types, and the number of inmates was 3,983. Some 48,000 people in need received regular relief.

Environmental protection developed at a much faster pace. At the end of 1994, there were 1,622 people working in environmental protection units, 2.2 percent more than in the previous year. There were 25 environmental monitoring stations, which employed 538 monitors. The province had 32 natural reserves. At the end of 1994, 83 smoke and dust control zones covering an area of 257.4 square kilometers were built, and there were 33 zones covering an area of 86.3 square kilometers where the noise pollution was controlled under the specified level. The number of projects to combat environmental pollution completed by deadlines amounted to 217, absorbing a total investment of 65.782 million yuan.

The comprehensive improvement of public order was strengthened. A total of 19,539 criminal cases occurred in the province in 1994. Of these, 17,504 cases were solved in the same year, representing a success rate of 89.6 percent, 3.4 percentage points more than in the previous year. However, the overall situation of public order was not at all satisfactory. Juvenile delinquency continued to grow. The number of young criminals in 1994 was 11,107, an increase of 1.24 percent over the previous year. Notes: 1. Figures in value terms for GDP, as well as the value added and targeted output value of various sectors, quoted in the communique are at current prices for the year, whereas the growth rates are calculated at comparable prices. 2. Figures in value terms for GDP and the value added of various sectors, which mainly include the values of remuneration for laborers, profits, taxation, and depreciation but do not include the values of intermediate consumption of energy and raw materials, represent the sum total of a year's production of material products that can be used as means of final consumption in society and the value of service. GDP does not include net factor income outside the country (region). 3. All figures in the communique are preliminary.

#### **Xinjiang Chairman Views Kong Fansen's Deeds**

OW1406100595 Urumqi XINJIANG RIBAO  
in Chinese 31 May 95 p 1

[Report by reporter Zhang Yu (1728 6735): "A Report Meeting on Kong Fansen's Deeds Held in Urumqi Yesterday"]

[FBIS Translated Excerpt] A meeting on reporting Kong Fansen's vivid and moving deeds, organized by the Central Organization and Propaganda Departments, was held in the Servicemen's Club of the Xinjiang Military District on 30 May.

Jin Yunhui, deputy secretary of the autonomous regional CPC committee, chaired the meeting. More than 1,000 people, with respect and emotion, attended the meeting and listened to reports on the deeds of Comrade Kong Fansen, a model leading cadre. Among the audience were leaders of party, government, and Army organizations, and the Production and Construction Corps in Xinjiang, including Abdulahat Abdurixit, Amudun Niyaz, Keyum Bawudun, Fu Bingyao, Pan Zhaomin and Wang Chuanyou; leading comrades of various departments, commissions, offices, and bureaus of the autonomous region; and leading comrades of various offices of the Xinjiang Military District and the Production and Construction Corps.

At the beginning of the meeting, Young Pioneers of various nationalities presented flowers to members of the reporting group. [passage omitted]

The reports lasted more than two hours. The cadres of all nationalities present at the meeting listened to them attentively from beginning to end. Some of them were moved to tears by Comrade Kong Fansen's good deeds.

After the reports finished, autonomous regional Chairman Abdulahat Abdurixit spoke. On behalf of the autonomous regional people's government, he extended his warm welcome, highest respects, and heartfelt thanks to the comrades of the reporting group.

On how to further the activity of learning from Kong Fansen, Abdulahat Abdurixit discussed three points:

1. It is necessary to enhance our understanding. Leading cadres should take the lead in learning from Kong Fansen. Leading cadres at all levels should wholeheartedly serve the people as Kong Fansen did, and work hard to overcome Xinjiang's backwardness. We should uphold the unity among various nationalities and various quarters more conscientiously, firmly establish the idea of "two inseparabilities," and rely on the unity and cooperation of the cadres and people of all nationalities to develop and build Xinjiang. [passage omitted]

2. To learn from Kong Fansen should be in deed, and efforts should be made to perform actual deeds. [passage omitted]

3. Greater efforts should be made to publicize Kong Fansen's deeds and arouse people's enthusiasm for learning from him. [passage omitted]



**XINHUA Commentary Criticizes Li Teng-hui**

OW1306140995 Beijing XINHUA Domestic Service  
in Chinese 1021 GMT 13 Jun 95

[By XINHUA reporter Duanmu Laidi (4551 2606 0171 1229): "Commentary: It Is Unpopular To Embrace Foreigners To Earn Himself Dignity and To Split the Motherland"]

[FBIS Translated Text] Beijing, 13 Jun (XINHUA) — Condemnations of the U.S. Government and Li Denghui [Li Teng-hui] were voiced incessantly before and after Li Denghui's visit to the United States. People denounced the U.S. Government for interfering in China's internal affairs and undermining the great cause of China's peaceful reunification; and berated Li Denghui for embracing foreigners to earn himself dignity and for being willing to become a person condemned by history.

In New York, San Francisco, Los Angeles, and some other major U.S. cities, overseas Chinese and people of Chinese origin held gatherings or news conferences over the past few days to oppose Li Denghui's visit to the United States. Prior to Li Denghui's visit, 73 associations in New York submitted a joint letter to Clinton, pointing out the serious consequences that could arise from Li Denghui's visit to the United States, which was aimed at creating "two Chinas" or "one China, one Taiwan" and which harmed the feelings of overseas Chinese and people of Chinese origin at large. Then, senior officials of more than 30 associations cosponsored a forum, criticizing the U.S. Government for breaking its words to the detriment of Sino-U.S. relations and U.S. interests. Personalities concerned in Southern California also held a forum, pointing out that the U.S. permission for Li Denghui to visit would encourage the ambition of "Taiwan independence" elements and impede the great undertaking of China's reunification. The Chinese Society and the Association for China's Reunification in Los Angeles staged a joint protest against the U.S. Government's permission for Li Denghui's visit in disregard of the three Sino-U.S. joint communiques, which trampled the Chinese nation's dignity and seriously undermined the international norms commonly observed by various countries in the world.

Voices of "opposing Li Denghui's visit to the United States" also came from many university campuses in the United States. The Federation of Chinese Students in Washington, organized by students studying in seven universities in Washington, D.C., issued a joint statement, strongly denouncing the U.S. Government's erroneous decision. A senior official of the Federation of Chinese Students in New York, set up by Chinese students in 32 universities in New York, said: Chinese

scholars and students in all campuses were "extremely indignant" toward Li Denghui's visit, and their consensus was that "this matter will lead to devastating consequences" and that Li Denghui "should hold himself responsible for history." Some 1,500 Chinese students in Chicago urged the Clinton Administration to rescind the decision. Chinese scholars and students at the University of Minnesota were shocked at and alarmed by the U.S. Government's permission for Li Denghui's visit. The Association of Chinese Students at Cornell University delivered an open letter to the school president, opposing the school administration's politicizing of Li Denghui visit to his alma mater; and, on the afternoon of 9 June, staged a demonstration against Li Denghui's activity designed at creating "two Chinas" or "one China, one Taiwan" under the name of "visiting his alma mater."

Public opinion in Hong Kong and Macao also lambasted Li Denghui for relying on foreign forces to pursue "two Chinas." Hitting the nail on the head, a signed article said: The U.S. Government has unscrupulously changed its policy toward China because it wants to continue to split China and to stop the Chinese nation's reunification, development, and prosperity. However, Li Denghui, in seeking foreign support, has gone so far as to betray principle to help the United States realize its dream. The fact has been once again proven that Li Denghui's so-called "opposition to Taiwan independence and position for reunification" are sheer lies. A newspaper said in the editorial: Since Li Denghui obtained the U.S. Government's permission to enter that country, Sino-U.S. relations and cross-strait relations have entered an "extraordinary period." What started such a situation is Li Denghui's partly hidden and partly visible splittism; and what gave a push in that direction is the United States' neither friendly nor aloof policy toward China. The editorial pointed out: Li Denghui has always used "reunification" as a means to achieve the ultimate goal of "Taiwan independence." Another newspaper said: Since time immemorial, the Chinese have always regarded it as an honor to safeguard national unification and a disgrace to split national territory. However, at a critical moment in Taiwan's history, what Li Denghui attempts to accomplish is to separate Taiwan from Chinese territory. He is clearly aware of the United States' ambition on Taiwan, but is willing to deck himself out and deliver himself to the doorstep. Once he befriended foreigners, he would rely on powerful connections to deepen the separation and to escalate the confrontation by staging one after another military exercise.

Celebrities in Macao have also issued numerous statements denouncing Li Denghui's visit to the United

States. Tang Xingqiao, Macao Federation of Trade Unions president, said: The great revolutionary Sun Yat-sen pointed out that the hopes of the Chinese nation lie in reunification. However, Li Denghui's visit is deliberately aimed at creating "two Chinas" or "one China, one Taiwan." Liu Xianbing, Macao Chinese Education Society director, said: The United States' unwise decision is against the norms of international relations and impedes the development of Sino-U.S. relations.

On Taiwan Island, even though the mass media had opened the throttle to "create the momentum" for Li Denghui's U.S. visit since May, there were quite a few criticisms of Li Denghui. At a forum in Taipei [Taipei], scholars berated Li Denghui's so-called "diplomacy of heads of state" as an unrealistic practice designed at "gaining stature but not substance," which is of no practical help to Taiwan's future. Some media invariably expressed apprehension with Taiwan's promotion of "the internationalization of the Taiwan question," that "once the 'Taiwan card' gets into the hands of foreign powers, Taiwan may lose control of itself," because "if Taiwan becomes a card in the hands of the United States, it will inevitably be controlled by others." Still other newspapers criticized Li Denghui for "failing to seize the rare historic opportunity to develop cross-strait relations and to do more concrete things [no closing quote as received]. On the contrary, he is bent on stirring up troubles to the detriment of the harmonious relations between the two sides, thereby triggering a heightened voice for "Taiwan independence" and aggravating the factors for instability in Taiwan's society."

Li Denghui's U.S. visit, which was made by relying on foreign forces in splitting the motherland and creating "two Chinas" or "one China, one Taiwan," is despised by all justice-upholding Chinese at home and abroad. What he has earned is the name of a person condemned by history.

#### **'Short Commentary' on Li's News Conference**

OW1306120495 Beijing XINHUA Domestic Service  
in Chinese 1006 GMT 13 Jun 95

["Short Commentary" by XINHUA reporter Zhao Wei (6392 5898): "Two-Faced Tactics Cannot Conceal His True Intentions — A Comment on Li Denghui's (Li Teng-hui's) Statements at His News Conference"]

[FBIS Translated Text] Beijing, 13 Jun (XINHUA) — During a news conference held in Taipei upon his return from the United States on 12 June, Li Denghui argued that his U.S. trip "was not aimed at creating 'two China's,' and that the important thing is to increase mutual understanding between the two sides of the Taiwan Strait." By itself, the remark seems

nice. However, it is the people's common belief that Li Denghui has gone a long way done the path of splitting the motherland.

Ever since he openly indicated his "pro-Taiwan independence" stance during his meeting with Japanese writer Ryotaro Shiba last year, and whenever he faces accusations from personages of all circles on and off the island, Li Denghui has on many occasions repeatedly clarified that he has no intention of promoting "pro-Taiwan independence" sentiment or "one China, one Taiwan," and has indicated that he will "push forward the favorable, mutual promotion of cross-strait relations." However, it was at that same time we saw a host of activities that violate the one-China principle taking place, one after another, in the form of so-called "vacation diplomacy," "participation in international organizations through the format of 'the mainland representing the mainland, and Taiwan representing Taiwan';" "the mainland's sovereignty does not include Taiwan;" and so forth. Take this visit for example. Taiwan newspapers have also acknowledged that "except for the failure to meet U.S. officers, Li Denghui's U.S. visit is essentially and basically an official visit." Upon being repeatedly questioned by reporters, Li Denghui said at the press conference in Taipei: What Taiwan lacks most is "a country with sovereignty." This is a matter that seriously violates the one-China principle, and whatever efforts Li Denghui made to conceal this fact are to no avail. An article from a Taiwan newspaper, published upon Li Denghui's return from his U.S. trip, said: The policy declaration made by Li Denghui, and the effects of relevant follow-up policies, "act in a way that defeat their purpose," and made people unsure of whether he "would rather create (cross-strait) conflicts in order to play the part of a 'hero'."

What kind of "hero" does Li Denghui want to play? He hopes to capitalize on the psychology of some people in the United States who do not wish to see a unified and strong China and who impatiently want to play the "Taiwan card," and also hopes to utilize foreign forces to turn his own "pro-Taiwan independence" view into action. Like what he had said to Ryotaro Shiba, he wants to walk out of China in the manner of "the exodus from Egypt," and to "challenge the impossible." In reality, Li Denghui is challenging the determination of the Chinese people, including the vast numbers of Taiwan compatriots, to safeguard state sovereignty and territorial integrity, and he is playing with fire. He is using Taiwan compatriots' interests and future as his own political stake — this is extremely unwise and dangerous.

Taiwan newspapers have criticized Li Denghui as being "fickle" to such an extent that 45 percent of Taiwan peo-

ple are still unclear about whether he is for "unification" or "independence." Today, Li Denghui's two-faced tactic has become more and more ineffective in concealing his true colors. All his explanations will only manage to blacken things even more. Let us see whether he can rein himself in from the brink of the precipice in his next step.

#### Academic Views Li Teng-hui's Tactics

OW1306130695 Beijing XINHUA Domestic Service  
in Chinese 0305 GMT 11 Jun 95

[Interview with Wang Zaixi, academician at the China Institute for International Strategic Studies, by XINHUA reporters Duanmu Laidi (4551 2606 0171 1229) and Liu Shizhong (0491 0670 1813): "New Revelations of the True Nature of 'Reunification in Form But Independence in Reality'"]

[FBIS Translated Text] Beijing, 11 Jun (XINHUA) — Li Denghui [Li Teng-hui] went to the United States for a so-called "private visit" the other day. Commenting on the visit, Wang Zaixi [3769 0961 1585], an academician at the China Institute for International Strategic Studies, pointed out: The real purpose of Li Denghui's visit is to create two Chinas, or one China and one Taiwan, in the international community. This is an act of raising one's stock on the back of foreigners, and it has once again revealed the true nature of his "reunification in form but independence in reality."

Wang Zaixi said in the interview: In public, Li Denghui asserts that he is for "reunification." His actions, however, have revealed that he is very much in favor of "Taiwan independence," running as he is in the direction of "two Chinas, or one China and one Taiwan" and sinking deeper and deeper into the quagmire of separatism. For years his true intentions were hidden behind his double-dealing tactics. This visit to the United States has, however, completely unmasked the true nature of "reunification in form but independence in reality."

According to Wang, the main manifestations of Li's double-dealing tactics are: When in public, on "official" occasions or out of some political need, he makes comments advocating "reunification," but he is not talking sincerely. Such comments are, to use his own words, "just words." His remarks on splitting the motherland, on the other hand, are specific and constantly "evolving"; and he has demonstrated extraordinary fervor in putting them into action. In fact he has, in recent years, spared no effort in advancing the so-called "reform of the constitutional structure," "elastic and pragmatic diplomacy," "direct election of the president by citizens," and his tolerance and indulgence toward "Taiwan independence."

Wang Zaixi noted that unlike those undisguised statements by advocates of "Taiwan independence" calling for changing the "national flag and name" and setting up a "Republic of Taiwan," Li Denghui's approach to spreading his separatist views is "gradual and quiet." For example, he plainly favors "two Chinas," but he at first spoke of the two sides of the strait as "two political entities," later correcting himself by adding, "domestically, they are two entities and, externally, two international legal representatives." After that, "Minister of Economic Affairs" Jiang Bingkun [Chiang Ping-kun] announced the theory of "two Chinas as a phase." Finally, he told it all in an undisguised confession to Japanese writer Ryotaro Shiba. This is how his stand on "two Chinas" and "one China and one Taiwan" has incrementally taken shape.

Wang Zaixi said: Letting others leak information as a "trial balloon" and waiting until the right moment to announce his own position is a trick Li Denghui frequently employs. After Jiang Bingkun's announcement of "two Chinas as a phase," some people concerned questioned this theory. A person representing the Taiwan authorities immediately stepped out to disclaim it as not "official." For another example, Taiwan's "Mainland Affairs Council" Chairman Hsiao Wan-chang suggested at a recent "conference on Mainland work" that we should forgo the contention over "who is legitimate, who has legally constituted authority, or who represents China." When someone at the meeting asked if these words would give people the impression that the ruling party is promoting "Taiwan independence," Li Denghui promptly declared his position: "I am for reunification. Please don't misunderstand me." He was followed up by another Taiwan "official" who said: "The Mainland's sovereignty does not reach Taiwan and Taiwan's sovereignty does not reach the Mainland. Therefore, we should shelve the dispute over sovereignty, let the Mainland represent the Mainland and Taiwan represent Taiwan, and let the two sides join international organizations together." These words truly reveal the Taiwan authorities' true intentions.

Besides, Li Denghui has also spread many specious and equivocal phrases to mislead the public, such as "sovereignty lies with the people" and a "living community of 21 million." Although these phrases are illogical and lack legal basis, by frequently playing them up he deluded many people into serving his goal of "reunification in form but independence in reality." Wang Zaixi said: Li Denghui has tried by fair means or foul to get this chance to visit the United States. This itself reveals his double-dealing nature of saying one thing and doing another. As an overseas newspaper commentary points out: Even though he "shouts loudly



the slogan of reunification with the mainland, he has in reality become more inclined toward independence."

Wang Zaixi points out: Whatever means or methods he employs, Li Denghui has only this goal: bringing about his separatist schemes under the banner of "reunification." Neither Taiwan nor he himself will be able to get anywhere following this road. To secure a future, the Taiwan authorities must respond to General Secretary Jiang Zemin's proposal that the two sides, on the premise that there is only one China, hold negotiations on "officially ending the state of hostility between the two sides and accomplishing peaceful reunification step by step" and reach a consensus on building good, stable cross-strait relations. This is the only way to ensure Taiwan's long-term stability and economic prosperity.

#### **Democratic Association Condemns Li's U.S. Visit**

OW1406011095 Beijing XINHUA Domestic Service  
in Chinese 1256 GMT 13 Jun 95

[FBIS Translated Text] Beijing, 13 Jun (XINHUA) — The Central Committee of the China Association for Promoting Democracy yesterday held its 24th chairmanship meeting to discuss Li Denghui's [Li Teng-hui's] U.S. visit. Chairman Lei Jieqiong presided over the meeting. Comrades attending the meeting unanimously supported the Chinese Government's solemn stand and strongly assailed Li Denghui for openly creating "two Chinas" and "one China, one Taiwan" in his speech at Cornell University. The meeting said: Li Denghui has claimed that "the people's wishes are always in my heart," but actually he has done things that run counter to the will of all people of the nation. He simply cannot stand for the people's wishes and fundamental interests. The meeting expressed great indignation over Li Denghui's forsaking overall national interest and condemned the U.S. Government for supporting Li Denghui in splitting China.

Also attending the meeting were Central Committee vice chairmen Chen Shunli, Chu Zhuang, Ye Zhishan, Mei Xiangming, Deng Weizhi, and Xu Jialu.

#### **Shandong Radio Criticizes Li's U.S. Visit**

SK1406070295 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 13 Jun 95

[FBIS Translated Text] The motherland reunification work committee of the provincial revolutionary committee of the Chinese Kuomintang held a meeting from 11 to 12 June in Jinan, charging Li Teng-hui with his big act of one China, one Taiwan during his visit to the United States.

The committee members participating in the meeting maintained: Taiwan has been the sacred land of China

since ancient times, and the people of Taiwan are members of the big Chinese family. The kinship between the people on both sides of the strait has become closer. Li Teng-hui's visit to the United States is a manifestation of acts to split the motherland and sabotage the reunification of the motherland. This does not enjoy the support of the people. Being against Taiwan's independence, being against separation, and safeguarding the reunification of the motherland are the common aspirations of the Chinese people, including the 30 million people in Taiwan. Taiwan authorities with Li Teng-hui as its leader should give priority to the righteous national cause, seriously consider the proposal for one country, two systems and peaceful reunification, and make a decision on enhancing the reunification of the motherland at an earlier date.

#### **Li Teng-hui Must Not Stick to Wrong Course**

OW1406083995 Beijing Central People's Radio  
in Mandarin to Taiwan 2200 GMT 12 Jun 95

[From the "News and Current Events" program]

[FBIS Translated Text] Dear listeners: Li Denghui's [Li Teng-hui's] so-called private visit to the United States is his another grave step to create two Chinas or one China, one Taiwan. This shows that he has gone further in splitting the motherland. In this connection, station editor (Huang Keren) wrote this commentary: "Li Denghui's Footprints."

The commentary says: A man's history consists of his own words and deeds. Since Li Denghui took power in Taiwan, he has left a long line of traceable footsteps that appear to be disorderly. But, by connecting up all his footprints, we can clearly see that the road he has traveled is one that runs counter to the motherland's reunification. Now Li Denghui has sunk deeply in the mud pit of splitting the motherland.

Since Li Denghui took power in Taiwan, he has done a few things beneficial to improve the cross-strait relations. For example, he lifted some restrictions on conducting cross-strait exchanges and terminated the period of mobilization for suppressing the communist rebellion. People also have noted that, at the beginning, Li Denghui made some remarks about one China and opposing Taiwan independence. Regarding Li Denghui's political reform in Taiwan, the government of the motherland has never made any comments. We consider it an affair of the Taiwan society, and therefore should be decided by Taiwan itself. We respect the decision of the people of Taiwan. Because Li Denghui was not involved in China's civil war and has no personal implications with the CPC, he has less historical burden on him. For this reason, he could have played a role and

made contributions to solving the Taiwan issue and to realizing the motherland's peaceful reunification. But he did not do it this way. As his position and power have gradually strengthened, his independent-Taiwan mentality has continued to soar, prompting him to gradually sink into the mud pit of splitting the motherland. He also has played a trick commonly used by politicians — he has flatly refused to admit that he had made any one-China remarks. This shows that he is politically dishonest. To this end, some people of insight in Taiwan have expressly pointed out that Li Denghui and Taiwan independence elements wear the same pants and that his independent-Taiwan mentality is one of low profile Taiwan independence. This is the fundamental reason why he has winked at and shielded Taiwan independence activities. While making every attempt to defend what he has done, he has continued to slip down along the split-tist course. The conversation between Li Denghui and Japan's Ryotaro Shiba in March 1994 completely exposed his Taiwan independence mentality and his being a slave of foreign masters, and was condemned by people at home and abroad. People hoped that Li Denghui would learn a lesson from the incident, cleanse his heart, correct his behavior, and repent genuinely. But, after whitewashing what he did, he went further along the wrong course.

Li Denghui insists on splitting the two shores and governing them separately, insists that leaders of the two shores meet on an international occasion, has made every attempt to squeeze in the United Nations and other international organizations, and has tried to internationalize the Taiwan issue. Following his money diplomacy and diplomacy of substantive relations, he has pursued vacation diplomacy and stopover diplomacy, in an attempt to create two Chinas or one China, one Taiwan. His so-called private visit to the United States is another grave step taken to split the motherland, which cannot but arouses people's indignation.

By studying Li Denghui's mentality and course of action, we can clearly see a path: Proceeding from the stand of insisting on splitting the motherland and resisting reunification, he negates and assails the one-China principle, and [words indistinct] placing himself in a grave position of opposing the motherland. This is the path he has traveled in splitting the motherland.

To strengthen his hands with his foreign connections to confront the motherland, Li Denghui has exerted himself in playing to, pleasing, and fawning on foreigners. He opened up the U.S. door by hook or by crook in order to pay a so-called private visit, attempting to use the United States' position and influence to strengthen his own position and raise his status. He also clearly knows that the United States does not want to see a reunified and

developed China, wants to play the Taiwan card, and wants to create two Chinas or one China, one Taiwan. And he plays to the United States' wish and voluntarily makes himself available for use.

We must solemnly tell Li Denghui that, as an individual, giving himself up to foreigners is his own business. But, as the primary governing figure of the Taiwan authorities, the government of the motherland and people on both sides of the strait will never allow him to lead Taiwan astray and make it a political agent of foreign countries. Li Denghui must not obstinately stick to the wrong course.

#### Party Chairman Chen Criticizes Li Teng-hui

HK1206132095 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1210 GMT 9 Jun 95

[By reporters Jin Song (6855 2646) and Huang Shaohua (7806 1421 5478)]

[FBIS Translated Text] Beijing, 9 Jun (ZHONGGUO XINWEN SHE)— Chen Xinfu, chairman of Taiwan's China Self-Strengthening Party, said to our reporters here last night that Li Denghui [Li Teng-hui] would definitely gain nothing from his United States trip but would instead increase tension across the Taiwan Strait. He said any consequences arising from this should be entirely borne by Li himself, and that the 20 million or so people in Taiwan should not be made the scapegoat.

Chen said that, since Li Denghui assumed power, everything he has done has consistently and clearly indicated that, however different his acts might appear, they were based on the firm belief that the ideal is for Taiwan to achieve independence, that as a transitional step there should be a separate Taiwan, and that localization is a means to that end. What the three have in common, he said, is that they have not touched on the geographic and blood links between Taiwan and the mainland.

He said: Li Denghui has taken advantage of the various contradictions arising from his promotion of democracy in Taiwan and has alternately made use of the ideas of Taiwan becoming independent, a separate Taiwan, and localization to thoroughly revise the ideological framework of the Chiang dynasty, so that the Democratic Progressive Party — which supports Taiwan independence or a revised form of Taiwan independence — and even non-native Taiwan residents who identify themselves with the natives, all harbor illusions. At the same time, he said, Li Denghui has taken advantage of the widening of the rift caused by the provincial complex, and the serious divisions within the Nationalist Party, to achieve his sole purpose—build a kingdom in the true Li Denghui style.

Chen Xinfu pointed out that Li Denghui should first sort out whether he himself is really Chinese before discussing Chinese matters.

He said: Clinton obtained some benefits before inviting Li Denghui to visit the United States, and, going there as an alumnus, Lee had spent a lot of money to publicize himself. Chen queried whether Li Denghui was using his own money or the money of Taiwan's taxpayers. He said Li should give a clear answer to that.

Chen Xinfu said that he hopes the Taiwanese authorities can learn from this unfortunate experience and will

never do this kind of fruitless thing again; he said it will only become a laughing-stock before the rest of the world.

Finally, Chen said that China's reunification is an unstoppable force, and that the time for 1.2 billion people to join together with their hearts and minds has come. Only by uniting as one, he said, will the dream of the 21st century being the century of the Chinese be realized.



**Further Reportage on Li Teng-hui's U.S. Trip****Poll: Approval Rating Up**

OW1306133495 Taipei China Broadcasting  
Corporation News Network in Mandarin  
2300 GMT 12 Jun 95

[From the "Hookup" program]

[FBIS Translated Text] The president successively fielded 12 questions from reporters at his homecoming press conference yesterday. We could hear that the President's voice was slightly hoarse during the press conference, but he was in very good spirits. Apparently he himself was very satisfied with his trip to the United States. The president was satisfied, but what about the public reaction?

A public opinion poll launched by Taipei LIEN HO PAO and (TBS) before the president visited the United States shows that the U.S. trip has received an average public rating of 81.8 percent. Most people also endorse the content of the president's speech for the Olin Lecture at Cornell University, a key feature of his U.S. trip.

The opinion poll also shows that the president's reputation has improved following his visit to the United States. Last month, on the fifth anniversary of his inauguration as the eighth president, 82 percent of the public were satisfied with his performance, while this poll shows that 84 percent are now satisfied. On the views expressed by the president in his speech at Cornell University, 53 percent of the public agree while (2) percent disagree with them. On the president's statement about understanding the people's aspirations, the poll says that 62 percent of the public believe the president understands their aspirations while 16 percent disagree. On his trip to the United States as a Cornell University alumnus, 69 percent of the public are satisfied with such an arrangement while 17 percent are not. A relatively large number of people have shown concern over the changes in the state of diplomacy resulting from the president's visit — 84 percent of the public believe it will help improve diplomatic relations with the United States, while 85 percent believe the president's U.S. trip has had a positive impact on improving our international standing. The percentages are much higher than those reported in the first three trips taken by the president since last year.

**Visit 'Broadens' Horizons**

OW1406042495 Taipei CNA in English  
0228 GMT 14 Jun 95

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, June 13 (CNA) — President Li Teng-hui's just-concluded visit to the

United States has helped increased Taiwan's visibility in the international arena, with more than a thousand reports having been filed by the worldwide media before, during, and after the four-day journey, Kuomintang spokesman Chien Han-sheng said Tuesday [13 June].

Chien, during a seminar on Li's US visit and its impact, said the president's speech at his alma mater, Cornell University, was of extreme interest to the international media community, given Li's personal achievements and Taiwan's unique position in the world. He denied allegations, however, that the government had maneuvered to stir up "media fever."

At the seminar, hosted by the private knowledge and practice foundation, Chien said that because the "new world order" has not yet been fully established, the ROC should grasp the opportunity to become a part of it. "We should bravely walk into the world community, just as president Li Teng-hui has, so as to avoid becoming a voiceless country," said.

Most of the scholars participating in the seminar agreed that Li's US visit would not jeopardize the second round of Ku-Wang talks set for late July in Beijing. C.F. Ku, chairman of Taipei's Straits Exchange Foundation (SEF), and Wang Daohan, chairman of the Beijing-based Association for Relations Across the Taiwan Strait (ARATS), met for the first time in April 1993 in Singapore — a meeting that broke the four-decade-plus impasse between the two sides.

Wu An-chia, deputy director of National Chengchi University's Institute of International Relations, said Beijing would suffer the most should it unilaterally declare an end to all cross-strait talks, which have been ongoing the last two years.

Chou Su, dean of Chengchi University's Social Sciences College, said he did not believe Beijing would call off the Ku-Wang talks because it wants to use the occasion to further criticize Taiwan for Li's US visit.

Chu Hsin-min, professor of diplomacy at Chengchi University, reasoned that Taiwan's promotion of pragmatic diplomacy, as seen in Li's visit, was aimed at seeking sovereignty and respect from the international community, and was not meant to stir confrontation or a move for independence. In a separate seminar discussing Li's trip, sponsored by the Li Chih Association, other international relations specialists called on Beijing authorities to stop intimidating Taiwan and to face the fact that Taiwan and Mainland China exist as separate political entities under different ruling systems. Chinese Cultural University Professor Cheng Jen-ung said Li's landmark visit to the US served as a successful announcement to the world that "Taiwan exists."

Keng Kuei-fang, a professor at National Chengchi University, said she believed Li's US visit would definitely help broaden Taiwan's horizons in the international arena. As the United States plays the role of the "navigator" in the world, other countries should be influenced by its relaxed stance toward Taiwan, she said.

She said Beijing's policy of excluding Taiwan from the United Nations and the international community in general was not only causing repugnance among Americans, but was also increasing American sympathy toward Taiwan.

Liu Yi-chun, a researcher with the Academia Sinica, said Beijing's Taiwan policy was undercutting the regime's attempts to achieve its goal for the peaceful unification of China. "Only when Beijing accepts Taiwan and respects its sovereignty will a mutually truthful climate be created for rapprochement between the two sides," he commented.

#### Visit 'Common Wish' of Citizens

OW1406110995 Taipei CNA in English  
0949 GMT 14 Jun 95

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, June 14 (CNA) — President Li Teng-hui said Wednesday [14 June] that his just-concluded U.S. visit echoed the common wish of the 21 million people in Taiwan and was not aimed at creating "two Chinas" or an independent Taiwan.

Li, in his capacity as chairman of the ruling Kuomintang, said he believed that the visit will not jeopardize relations across the Taiwan strait.

President Li paid a private, unofficial visit to the United States June 7-11, to speak at his alma mater, Cornell University. The visit was covered by the world media because of Li's personal achievements and Taiwan's unique status in the international community.

Addressing a KMT Central Standing Committee meeting, Li said that his speech expressed the popular sentiment of the 21 million people in the Taiwan, Penghu and Matsu areas. Criticism by the mainland Chinese media was "not proper" Li added.

Li said he learned that there are different opinions of his U.S. visit in mainland China. He said he hopes the leaders in Beijing will have the wisdom to understand the nature of his visit.

Li emphasized that the ROC on Taiwan, under the leadership of the Kuomintang, has made tremendous progress on various fronts during the past four decades. All those achievements, he said, were the result of hard

work by 21 million people in Taiwan, and the world deserves to understand the results.

Meanwhile, C.F. Ku, chairman of the Straits Exchange Foundation, a key intermediary organization authorized to handle cross-Taiwan strait exchanges, said Li's speech at Cornell was historically significant because it reminded the world to reconsider Taiwan's existence and Taiwan's role in the world community.

Ku urged the Beijing authorities to study Li's message, saying that the president's statement actually laid to rest questions about Taiwan's independence.

Ku warned of possible strong reaction from the mainland in the wake of Li's U.S. visit. He urged comprehensive thinking by both the government and private sectors on how to create a "win-win" cross-strait environment. He urged the mainland authorities to be realistic and admit that Taiwan and the mainland are two separate political entities ruled by different governments.

#### Talks Continue on Taipei's WTO Entry

OW1406095795 Taipei CNA in English  
0911 GMT 14 Jun 95

[By Y.C. Pan and Sofia Wu]

[FBIS Transcribed Text] Washington, June 13 (CNA) — US Trade Representative Mickey Kantor said Tuesday [13 June] the United States supports Taiwan's early entry to the World Trade Organization (WTO) on reasonable business terms.

In his speech to an annual meeting of the International Apparel Federation, Kantor said more than 20 countries are applying for WTO membership. The WTO superseded the General Agreement on Tariffs and Trade (GATT) early this year.

He emphasized US support for membership applications by Taiwan, Mainland China and Russia. "We hope their applications will be approved soon on the basis of reasonable business terms," Kantor said.

Taiwan applied to join the General Agreement on Tariffs and Trade (GATT) in January 1990 and was granted observer status in September 1992.

Taiwan is accelerating negotiations with major WTO members on its entry terms and hopes to complete all related formalities and become a full WTO member before the end of this year. Twenty-plus WTO members have registered to hold bilateral tariff and non-tariff trade talks with Taiwan and several of them have already completed such talks with Taiwan.

A Taiwan delegation, headed by Lin Yi-fu, director-general of the Board of Foreign Trade (BOFT), is

currently in Washington to discuss WTO-accession terms with American trade negotiators.

In Tuesday's talks, Lin said, US delegates expressed satisfaction with Taiwan's progress in opening its service markets, but they also hoped Taiwan can further ease restrictions on capital movement.

On tobacco and alcohol trade, the US delegation welcomed Taiwan's decision to allow foreign tobacco and alcohol manufacturers to sponsor sports activities in Taiwan.

The two sides also agreed to further discuss tobacco and alcohol trade issues, including tariff rates, inland taxes and other related regulations, during a bilateral vice ministerial-level meeting to be held here next week, Lin said.

During the previous round of Taiwan-US GATT talks held in January, Taiwan promised to allow establishment of private breweries and distilleries three years after its WTO entry and establishment of private tobacco plants six years after its WTO entry. The US did not express any opinion about the proposal in Tuesday's talks, Lin said.

This round of WTO-accession talks began Monday and will close Wednesday. The two sides are expected to discuss farm trade issues, including beef import duties and tariff cuts for some agricultural products, at Wednesday session.

#### **Stanford University Seminar on Taipei's UN Bid**

OW1406103495 Taipei CNA in English  
0930 GMT 14 Jun 95

[By Willie Chu]

[FBIS Transcribed Text] San Francisco, June 12 (CNA) — A seminar on "the United Nations and the China problem" was held at Stanford University Tuesday [13 June] to discuss Taiwan's bid for membership in the world organization.

The seminar was presided over by Ramon Myers, a senior fellow at Stanford's Hoover Institute. Several scholars and experts gave speeches at the seminar exploring Taiwan's UN membership in the context of the China problem.

After opening remarks by Dr. Myers, Chang King-yuh, a minister without portfolio in the Taiwan cabinet spoke on the need for Taiwan's participation in the UN.

Chang said that Taiwan's participation in the United Nations is not only consistent with the spirit of the UN charter, it is also an affirmation of the principles of international justice.

Chiu Hung-da of the University of Maryland School of Law also spoke on Taiwan's bid for UN membership. In his speech, Chiu detailed world response to the membership bid as well as Communist China's response.

During the seminar, James A. Robinson, former president of the University of West Florida, spoke on Taiwan's prospects for UN membership and the UN relationship with Mainland China. Retired U.S. Ambassador Harvey J. Feldman also spoke on "Taiwan and the United Nations: Conflict Between Domestic Politics and International Objectives."

A roundtable discussion was held later in the afternoon. The discussion was presided over by Myers and speakers included Thomas H. Metzger, Robin Herr of the Asia Resource Center, Pei Minxin, a national fellow at the Hoover Institution, and Wu Yuan-li, former Hoover Institute consultant.

Lo Jyh-yuan, director-general of the Taipei Economic and Cultural Office in San Francisco, spoke at the closing. In his remarks, Lo thanked the Hoover institute for holding the seminar to discuss "this important issue for all Chinese."

"The ROC looks forward to your support and that of all other fair-minded people in her bid for her UN seat," he added.

#### **Foreign Minister on 'Taiwan Experience'**

OW1406043595 Taipei CNA in English  
0230 GMT 14 Jun 95

[FBIS Transcribed Text] Washington, June 12 (CNA) — ROC [Republic of China] Foreign Affairs Minister Chien Fu said on Monday [12 June] that the "Taiwan experience" has laid the groundwork for the future prosperity and modernization of the whole of China and has helped set the development pace for the Asia-Pacific region.

Chien, who arrived in the United States earlier this week for a weeklong visit, made the remarks during a speech at the University of Chicago's Center for East Asian Studies.

The following is the full text of Chien's speech entitled "Economic Development and the Role of the Republic of China in the Asia-Pacific Region":

President Sonnenschein, Director Johnson, ladies and gentlemen:

I am delighted to return to Chicago city once again under the invitation of President Sonnenschein to address this prominent audience. The University of Chicago is a leading institution of higher education and its scholastic



achievements are admired the world over. Prime Minister Lien Chan and many other outstanding leaders of my country are alumni of this university.

As foreign minister of the Republic of China on Taiwan, I am pleased to be able to report that the people on Taiwan enjoy mounting prosperity and progress in democratization. Indeed, the "Taiwan experience" which has been acclaimed worldwide has already laid the groundwork for future modernization and prosperity throughout China and helped set the pace for development of the rest of the Asia-Pacific region. Our success has come about through decades of hard work and entrepreneurial initiative. We expect to perform an ever-increasing role in the network of commercial activity in Asia and the Pacific. We refuse to be isolated or economically constrained by artificial political barriers. We intend to capitalize on our unique assets in competing and cooperating peacefully with our neighbors for the common welfare.

A major aspect of the ROC success story is the rapid democratization and overall liberalization of our society in less than a decade. Since 1987, the pace of social and political modernization on Taiwan has exceeded that of most of the world's developing nations. Freedom of the press and the free election of all parliamentary positions now help ensure that both domestic and foreign policies reflect the genuine will of our people. The new climate was vividly evident in our local elections last December, when 77 percent of eligible voters went to the polls.

Those popular elections for Taiwan provincial governor and for the mayors of Taipei and Kaohsiung represented a major advance in a series of steps toward true multiparty democracy on Taiwan. Although elections for most of our legislative and mayoral positions have taken place for years, this was the first time these three important offices have been open to popular ballot at the same time. While the ruling KMT [Kuomintang] party won 52 percent of the vote overall, as well as the provincial governorship and Kaohsiung mayor's seat, the opposition DPP [Democratic People's Party] party won Taipei's mayoral office. A third group, the New Party, did not win any of the three positions, but did claim a respectable share of the vote. The election proved once again the genuinely pluralistic nature of our democratic electoral system.

Though the island of Taiwan is relatively small and its natural resources are scarce, the ROC's mounting achievements and contributions are acknowledged worldwide. Our demographic and economic ranking clearly distinguishes US within the global context. Taiwan's population of 21 million is greater than that of two-thirds of all nations. Our per capita income (about

US\$12,600) is the 25th-highest in the world; and our gross national product (exceeding US\$240 billion) ranks 19th, we are the 14th-largest global trading nation, at a total volume near US\$180 billion. We rank seventh in total overseas investment; and second in foreign exchange reserve holdings. While annual growth rates and trading volume have been consistently high over four decades, our rates of inflation and unemployment have remained remarkable low. Moreover, Taiwan has established an extremely solid economic foundation that includes vast amounts of capital, high-quality manpower, large numbers of successful private entrepreneurs, a strong industrial system and a comprehensive external economic and trade network.

Our strong economic and commercial performance is a tremendous asset to the continuing rapid development of the entire Asian and Pacific area, as well as to the global economy. At present, this region accounts for over forty percent of total world trade, and fifty percent of global wealth. The combined average annual growth rate has been above 4.5 percent for more than three decades. Developing countries alone realized average annual growth of 6.7 percent in 1993, far greater than the 1.1 percent average growth rate realized by the world's major industrialized countries. It seems increasingly probable that the Asia-Pacific region will become an important focal point for the entire world economy in the twenty-first century.

Hong Kong, Singapore, South Korea and the ROC on Taiwan, together, represent the dynamic core. Combined exports in this decade for these four economies amount thus far in the 1990s to about 8 percent of the world's total. By 2010, this figure is projected to rise to 13.4 percent — which is higher than North America's current figure of 12 percent. By the year 2010, the average per capita income of these four economies is projected to rise to US\$43,955. Obviously this is not an insignificant phenomenon.

The trend toward economic integration which already have been going on for years will certainly have far-reaching effects on the global economy and trade for generations to come. Last year, the European economic area came into being, bringing European cooperation into a new era. The North America Free Trade Agreement became effective in January of 1994. Meanwhile, Asian-Pacific regionalism is reflected in gradually expanding trade, investment, tourism, and production patterns through institutions like the Asia Pacific Economic Cooperation (APEC) [forum].

The APEC, comprised of eighteen of the region's dynamic economies including Taiwan, has taken on impressive credentials in the short space of only six

years. APEC members have agreed to work towards the historic goal of free and open regional trade and investment by the year 2020, and a goal we welcome. My country's accession to APEC in 1991 was a clear indication of the integral place which the ROC on Taiwan now occupies in the regional economy. We have felt all along that closer commercial and technical cooperation with our neighbors is the key to ensuring greater progress, security and stability for all of US in the region. That is my government's policy, and we will continue to do our part.

My government recognizes that closer economic interdependence among the Pacific Basin communities is inevitable and desirable. We have agreed with our neighbors to promote the development of human resources, including more highly skilled and highly paid jobs. And we on Taiwan have pledged to help improve education and training; health care; and environmental quality for the Pacific community. In other words, we have pledged to do our fair share for the common good.

As the general tendency toward regional integration continues, Taiwan's active involvement in economic planning, resource development, and overall cooperation is sure to grow more fundamental. Taiwan already has commercial contacts with most other economies in the region, including Mainland China. In terms of our economic development, we are situated between the advanced industrial countries and the developing countries; this gives us an important linking position, as we learn from those who are more advanced and help those who are less so. From the viewpoint of positioning and market development, Taiwan's central geographic location makes it an ideal springboard to all Asian markets for the countries of America and Europe. With these favorable factors, Taiwan should be able to play an ever-more active role as middleman and help open up new avenues for economic development.

Commercial enterprises are welcome to take advantage of our convenient location and economic vibrancy to advance their own entrepreneurial agendas. Investment and development activities throughout the entire western portion of the Pacific Rim can be managed expeditiously from Taiwan for common benefit in the years to come.

Allow me to take just a few minutes to describe the features of our new national development policy: the establishment on Taiwan as an "Asia-Pacific regional operations center," where people, capital, goods, and information can move in and out freely. Our purpose is to facilitate the use of Taiwan by foreign enterprises and local companies for carrying out multinational economic activities. Indeed, the concept is crucial to our vision of our future in the 21st century.

For both local and foreign companies, Taiwan can be used as a home base for exploiting opportunities in the booming southeast Asian markets, the vast Mainland China market, and in every other part of the dynamic Asia-Pacific region. Networks of commercial activity in many diverse sectors can operate efficiently from this location. Beginning this year, and running through 1997, we are engaged in the first stage of development of six operational centers around the island. Adjustments and expansions will follow in the second stage; and after the year 2000, the total liberalization and internationalization of our economy will have firmly established Taiwan as a major regional operations hub.

Let me describe the sectors of commercial activity which are involved. At the moment we are focusing on improving our administrative efficiency, having opened in March a "coordination and service office" to centralize and simplify investment services for domestic and foreign firms.

We are also launching our new offshore transshipment facilities for sea and air cargo services. Kaohsiung harbor is the major port initially being used for sea transshipment by foreign and convenience vessels, and other ports may follow. In principle, no customs clearance or entry clearance is required. As to the offshore air transshipment center, CKS [Chiang Kai-shek] International Airport will be developed as an express air-cargo transit hub.

We intend to encourage foreign companies to locate facilities on Taiwan for production and marketing of high-value-added products for East Asian markets. This will be an important step towards establishing Taiwan as an Asia-Pacific manufacturing center. Our plan is to first focus on 24 high-tech specialties, including aerospace, information, precision machinery, and biochemical/pharmaceutical industries.

Developing Taiwan as a financial services center depends on enabling domestic and foreign financial institutions to provide international financial services throughout east Asia. We will actively seek to improve the general environment for doing so, liberalizing financial market practices to conform with trends in international finance.

At the same time, we will continue liberalizing the telecommunications sector, in order to make Taiwan a more attractive location for regional telecommunications services. We will develop a switch traffic hub and a customers service center to better meet the needs of telecommunications throughout East Asia, especially in relation to Mainland China.

Yet another dimension of this program is to develop Taiwan as the region's principal center for production and distribution of Chinese-language TV programs and films. As a media center, Taiwan will become an integral part of the international media industry, and will serve as an important source of programming for the entire region's satellite and cable broadcasting industries.

To pave the way for Taiwan's development as a regional operations center, we realize that we must accelerate the upgrading of our domestic industry and further liberalize our economy and trading system. Restrictions will be substantially eased so that investment, industry, individuals and information (the four "I's" which support commerce) can flow more freely in and out of our country. These freedoms, combined with Taiwan's unique strategic location, should make US highly attractive to corporations seeking a centralized base for commercial operations in East Asia, including Mainland China. Taiwan will then be able to play a key role in the region's economic integration, and act as an intermediate link in the division of labor between the developed and developing countries.

As I have described, we have an ideal geographic location and favorable overall economic conditions. In addition to our existing comprehensive network of external economic and trade connections throughout the area, our historical and cultural background makes Taiwan an ideal choice for developing relations with the entire region. Moreover, we offer the advantages of a solid industrial base and a strong technological development capability. We have a well-trained and productive work force. Our population is 93 literate. Our excellent education system has produced some of the most highly-skilled engineers and managers in the region. Furthermore, we possess both an agricultural and an industrial base—something neither Singapore nor Hong Kong can offer.

As specific problems or obstacles in our economy are identified, we are addressing them. For example, we have strengthened measures for protecting intellectual property rights, including foreign trademarks and computer software, in conformity with mounting global trend. My government strongly believes that counterfeiting is not only immoral but also damaging to research and development efforts. Our policy is to faithfully enforce and enhance intellectual property protection on Taiwan.

Increasing stagnation in the growth of investment has been a matter of great concern to us, particularly in the manufacturing industry. Because many manufacturers, especially labor-intensive ones, have chosen to locate

new production facilities overseas and on Mainland China, a substantial amount of investment capital has left our country. We realize that short-term obstacles to investment, like rising labor costs and exorbitant land prices, must be controlled and private investment stimulated if the ROC's economic miracle is to be sustained and expanded. The regional operations center project will help bring about a resolution of these problems.

We will continue carrying out our program of strategic alliances with multinationals, encouraging them to invest in Taiwan. Since we began promoting the Asia-Pacific regional operations center project, our ministry of economic affairs has signed letters of intent for the formation of strategic alliances with twenty-two prominent multinational companies. Fourteen of these companies are based in the US: AT&T, GE, Motorola, General Motors, Westinghouse, Carpenter Technology, HMM, Texas Instruments, Nalco Fuel Technology, Hewlett Packard, Du Pont, Raychem, IBM and Digital. Nine of these companies plan to establish regional operations centers in the ROC. We will make use of our combined experiences in outward investment to jointly develop Asia-Pacific markets, including the Mainland China market. This will enhance the development and prosperity of the entire Asia-Pacific economic bloc.

Of course, commercial interaction between the United States and my country has always been extensive. Taiwan is the seventh-largest trading partner of the US, and the US is our largest. Together, our total annual bilateral trade now reaches \$42 billion. American exports to Taiwan have tripled over the last eight years. And since 1987, we have successfully reduced our trade surplus with the US by sixty percent.

Many of the areas where the ROC requires the most assistance — environmental technology, health and medical care, for example — are precisely those areas where US firms have a competitive edge. US business is heavily involved in my country in the fields of pollution control, computer, automated production equipment, telecommunications, household furnishings and appliances, transportation, high-tech instruments, petrochemicals and processed foods. Moreover, an ever-increasing proportion of our private investment abroad — more than fifty percent, in fact — is targeted at the United States, where high-tech, petrochemical industries, and other companies are attracting Chinese investors from Taiwan. Our investments in this country already run into the billions of dollars; and we intend to encourage our businessmen to set up additional plants and take part in mergers with American companies.



In view of the ROC's economic stature, and its dramatic democratic progress, our exclusion from many multilateral forums is a disappointment and a serious obstacle to our useful contribution. We intend to pursue our rightful role in regional and global affairs, and to establish a clear international identity for our people.

Earlier this year, the new World Trade Organization (WTO) was formally established to succeed the General Agreement on Tariffs and Trade (GATT) to regulate and standardize global trading practices. We hope and expect to join the WTO in the nearest future. During the accession process, my government has conducted detailed negotiations with 25 trading partners to develop an extensive schedule of market access commitments on goods, including agriculture and services. These market-opening measures represent significant and comprehensive reforms of our domestic economy. My government's undertaking of extensive economic and trade reforms demonstrates its firm commitment to international trade liberalization and to the development of a strong international trading system.

You may have heard that we also are interested in participating in the United Nations. This is a priority for my government and the people of the ROC on Taiwan, and there are some very valid considerations at stake.

The Republic of China was a founding member of the United Nations in 1945, and served for 25 years as a responsible permanent member of the UN Security Council. Twenty-three years ago, in October 1971, the UN General Assembly adopted resolution 2758 permitting the Mainland China Government (PRC) to occupy China's seat in the United Nations. As a result, my government was compelled to withdraw from that organization by circumstances which existed at that time. The 1971 UN action did not, however, resolve the issue of China's very real division.

For our part, we take a realistic and pragmatic perspective on the China representation matter. My government acknowledges that its de facto political jurisdiction does not currently extend to the Chinese mainland, just as that of the PRC does not extend to Taiwan. While we are firmly committed to the eventual reunification of China, we are entitled in the interim to equal participation in international organizations such as the UN.

In recent years, the people on Taiwan have successfully defended their participation in a number of multilateral groups, including the Asian Development Bank; the Pacific Basin Economic Council; PECC; APEC; and the International and Asian Olympic committees, among others. As I mentioned earlier, we expected accession to the new World Trade Organization very soon. Though the formulations for our participation vary from group

to group, our practical importance to all these organizations is indisputable. We believe the ROC's demographic and economic ranking clearly qualified us for broader participation in multilateral institutions. Given the facts, our exclusion from the United Nations is particularly unreasonable and illogical.

We most earnestly hope that the United States and other Western nations will actively promote bilateral relationships with the people of the ROC on Taiwan which recognize their valuable achievements and their practical role in the global community. Other should not stand by and allow us to be isolated by artificial barriers. We welcome your support for Taiwan's positive participation in multilateral organizations such as UN and WTO.

Ladies and gentlemen, I want to thank you for your attention today. The dynamic environment in the Republic of China on Taiwan has spawned a new era of progress and prosperity bearing significance for the entire region. It offers hope to all Chinese, while ensuring the immediate welfare of those 21 million residents on Taiwan. We look forward to working closely with United States and other regional partners to promote peace and stability in the years ahead. Thank you very much.

#### Cross-Strait Separation 'Is a Reality'

OW1306121995 Taipei CNA in English  
1024 GMT 13 Jun 95

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, June 13 (CNA) — Chiao Jen-ho, secretary-general of the Taipei-based Straits Exchange Foundation (SEF), said Tuesday [13 June] that separation of Taiwan and Mainland China is a reality.

Taiwan continues to hope for a reunified China under a system of democracy, [word indistinct], and equitable distribution of wealth, Chiao stressed.

Despite the differences between the two sides of the Taiwan Strait in politics and diplomacy, any cross-Taiwan Strait negotiations should be based on the consensus reached between SEF and its Mainland counterpart, the Association for Relations Across the Taiwan Strait (ARATS), he pointed out.

Chiao was referring to technical talks between the two semi-official organizations, which were established in 1991 to tackle problems arising from increasing cross-strait exchanges.

Chiao made the remarks in response to a question as to whether Beijing's recent strong criticism of President Li Teng-hui's U.S. visit will adversely impact the planned second meeting between SEF Chairman Ku Chen-fu

and ARATS Chairman Wang Daohan slated to open in Beijing on July 20.

Noting that Beijing greatly misunderstands Taiwan's popular sentiment and Mainland policies, he said that to interpret the separation of the two sides as Taiwan's viewpoint is quite different from the reality.

President Li, Premier Lien Chan and the Mainland Affairs Council have made explicit statements on the spirit of national unification guidelines and the implementation of mainland policies, he added.

If the Mainland needs further clarification, SEF Chairman Ku could take advantage of the forthcoming Ku-Wang meeting to make detailed explanation, he said.

Paraphrasing President Li's news conference upon his return from the U.S., Chiao noted that although mutual trust between Taiwan and the Mainland is yet to be established, consultations through civic channels will help promote mutual understanding.

Stressing that SEF-ARATS communications must be continued and strengthened, he said he has not received any message indicating any change to the planned Ku-Wang meeting.

"I believe that the second Ku-Wang talks will not be influenced by any political or diplomatic event," he said.

#### SEF's Chiao, Ku Discuss Second Ku-Wang Talks

OW1406050195 Taipei CHUNG-KUO SHIH-PAO  
in Chinese 13 Jun 95 p 7

[FBIS Translated Text] Chiao Jen-ho, vice chairman and secretary general of the Strait Exchange Foundation [SEF], said yesterday that the foundation has not heard any news about a possible cancellation or delay of the planned second Ku-Wang talks, nor did it receive any similar report from its Deputy Secretary General Li Ching-ping, who is now heading an SEF cultural and educational delegation in Peking [Beijing]. Therefore, he does not think that President Li Teng-hui's U.S. visit will affect the plan to hold the second Ku-Wang talks in July.

According to an agreement regarding the outcome of the first preparatory meeting for the second Ku-Wang talks, signed by Chiao Jen-ho and Tang Shu-pei [Tang Shubei], executive vice chairman of the Association for Relations Across the Taiwan Strait [ARATS], in Taiwan on 29 May, both the SEF and ARATS agreed to hold the second Ku-Wang talks in Peking around 20 July. However, there are rumors that President Li's U.S. trip might affect the talks. Therefore, Chiao Jen-ho especially made the aforementioned remarks when meeting with reporters yesterday.

While inspecting the SEF yesterday, SEF Chairman Ku Chen-fu said: Both the SEF and ARATS should strive to expand cross-strait exchange and conduct consultation in a realistic manner. Without communications, the two sides cannot resolve their disputes over cross-strait issues. Provided that the mainland has different opinions on Taiwan's promoting pragmatic diplomacy, both sides should take advantage of the Ku-Wang meeting to have dialogues.

Ku Chen-fu said to have dialogues [tui hua 1417 6114] does not mean to hold consultations [hsieh shang 0588 0794], or to enter into negotiations [tan pan 6151 0445], but means to allow each of the dialogue participants to fully express their own stand. He added the government should find a balancing point between the promotion of pragmatic diplomacy and the development of cross-strait relations, so as to effectively create a win-win situation.

It has been learned that Vice Secretary General Li Ching-ping, who is heading a delegation in Peking, did not talk about matters related to the second Ku-Wang talks with ARATS staff yesterday; however, he did not have a feeling that ARATS has canceled or delayed the planned July meeting. Therefore, in his report to the SEF on his Peking visit, Li Ching-ping did not mention any news related to the Ku-Wang meeting. The SEF delegation is scheduled to meet Tang Shu-pei on 14 June and hints from the ARATS about Ku-Wang talks will be clarified afterwards.

#### SRV Taipei's Fastest-Growing Export Outlet

OW1406095895 Taipei CNA in English  
0849 GMT 14 Jun 95

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, June 14 (CNA) — Vietnam has emerged as the fastest-growing export market for Taiwan products in the past five years, the government reported Wednesday [14 June].

The Directorate General of Budget, Accounting and Statistics (DGBAS) said that Taiwan's exports to Vietnam, which were worth less than US\$100 million in 1990, soared to US\$740 million in 1994, representing an average annual growth rate of 137 percent.

The big jump in Taiwan sales to the Indochinese country also pointed to Taiwan's ever-increasing trade ties with Southeast Asian countries, including Singapore, Malaysia, Thailand, Indonesia and the Philippines, DGBAS officials pointed out.

Statistics show that two-way trade between Taiwan and Vietnam and the five Southeast Asian countries

amounted to US\$20 billion last year, double that of 1990.

Of the amount, Taiwan sold US\$11.4 billion worth of goods to the six countries, accounting for 12.3 percent of Taiwan's combined outbound shipments in 1994, while purchases from that part of the world totaled US\$8.6 billion, making up 10.1 percent of Taiwan's aggregate imports.

The six countries as a whole, therefore, became Taiwan's third largest export outlet, next to the United States and Hong Kong, and Taiwan's fourth largest import source, behind Japan, the United States and the European Union.

Singapore has remained Taiwan's largest trading partner in Southeast Asia, but the ratio of its trade volume to the combined figure dropped from 33 percent in 1990 to 25 percent last year, the officials elaborated.

In terms of average annual export growth in the past five years, they noted, exports to Malaysia rose 26.3 percent, topping the list, followed by Thailand's 17.5 percent, Singapore's 11.2 percent, the Philippines' 9.4 percent and Indonesia's 9 percent.

In aggregate, the growth of Taiwan's exports to the five Southeast Asian countries averaged 15.7 percent annually, less than the 22.4 percent annual import growth Taiwan registered in trade with that area, they pointed out.

The officials attributed the faster import growth to the substantial increase in Taiwan's purchases of mineral and energy products from Southeast Asia in recent years.

Taiwan's bilateral trade with Indonesia and Malaysia fell into the red in 1991 and 1992, respectively, they added.

The officials saw continued good prospects in Taiwan's trade relationship with Vietnam and Southeast Asian countries, saying that given the high economic growth of these countries and the trend toward regional economic integration, trade ties between the two sides should continue to get closer.

#### **Taipei To Share Rural Development Experience**

*OW1406110895 Taipei CNA in English  
1012 GMT 14 Jun 95*

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, June 14 (CNA) — Taiwan will establish a rural development foundation in August to extend its development experience to neigh-

boring nations, according to Council of Agriculture Chairman Paul Sun.

Initially, the foundation will target mainland China and Southeast Asia, with operations eventually expanding throughout Asia, Sun said, adding that the foundation budget will be at least NT\$1 billion (US\$39 million).

The foundation is the brainchild of ROC President Li Teng-hui and will be sponsored by 20 noted entrepreneurs, including Formosa Plastics Group head Y.C. Wang, President Group's Kao Ching-yuan, Wei Chuan Group's Huang Lieh-ho and Lien Hwa Industrial Group's Miao Yu-hsiu.

Li, an agronomist-turned-president, has often called for using Taiwan's developing experience to help mainland China solve its rural development problems.

The foundation will play an intermediary role in cross-Taiwan strait agricultural interflows, Sun added.

#### **Trade Mission To Visit Central America**

*OW1406102195 Taipei CNA in English  
0917 GMT 14 Jun 95*

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, June 14 (CNA) — A Ministry of Economic Affairs (MOEA) mission will visit six Central American countries July 22-August 7 to inspect the investment climate and tap trade opportunities there.

Sponsored by the MOEA's Industrial Development and Investment Center (IDIC), the mission will be comprised of representatives from the Chinese National Federation of Industries, Chinese National Association of Industry and Commerce, and small And Medium enterprises.

The trade mission is expected to strengthen the Republic of China [ROC]'s economic and trade ties with Panama, Costa Rica, Nicaragua, Honduras, El Salvador and Guatemala, IDIC noted.

Members of the mission will visit the Panama Canal, US military bases, the Colon Free Trade Zone and other industrial zones and export processing zones in the six Central American countries.

They will also visit economic and trade agencies to gain a better understanding of the consumer industry in Nicaragua and small and medium enterprises in El Salvador, the IDIC said.

Panama is currently Taiwan's largest export market in Central America and boasts a booming transshipment trade. Nicaragua and Honduras are courting Taiwan



investment in their textile industries and Taiwan's BES Engineering Corp. has set up a processing zone in Costa Rica.

ROC Minister of Economic Affairs P.K. Chiang visited Central America in March this year and met with presidents and economic and trade ministers of the six countries. The nations attached great importance to Chiang's visit and decided to strengthen economic and trade cooperation with Taiwan.

**Comparison of Li's Cornell University Speech**  
*OW1106100695*

Taipei CHINA NEWS in English on 10 June on page 11 publishes the "full text" of President Li Teng-hui's speech delivered for the Olin Lecture at Cornell University on 8 June 1995. This version has been compared with the CNA English version published in the 12 June China DAILY REPORT, pages 79-83 under the headline "'Text' of 9 Jun Cornell Speech" revealing the following variations:

Page 79, column two, paragraph four, under the banner headline "'Always in My Heart'", first sentence reads: ...It is a...(omitting first three paragraphs).

Page 80, column two, first full paragraph, second sentence reads: ...international trade totaled US\$180 billion in 1994...(changing figure from "US\$18 billion" to "US\$180 billion").

Same page, column two, last paragraph, first sentence reads: ...the key link. Recently, it has...(restructuring sentence).

Page 81, column one, first full paragraph, second sentence reads: ...of the process. [new paragraph]

Popular sovereignty: We in the...(restructuring sentence).

Page 81, column one, third full paragraph, first sentence reads: ...cities in Taiwan, which used to be directly administered by the central government as special municipalities, were directly elected...(adding additional clause).

Same page, same column, fourth full paragraph, antepenultimate sentence reads: ... of the president. The freedom of...(omitting sentence).

Same page, same column, last paragraph, first sentence reads: ...believe that the precept of democracy and...(changing word).

Same page, column two, first full paragraph, last sentence reads: ...in mainland China. [new paragraph]

I have repeatedly called...(changing word).

Same page, same column, second full paragraph, second sentence reads: by following a strategy will the...(omitting words).

Same page, same column, third full paragraph, third sentence reads: ...ties. These are not minor accomplishments for...(clearing indistinct word).

Page 82, column one, fifth full paragraph, second sentence reads: ...in our hearts. Today, as the 6th...(restructuring sentences).

Same page, column two, first full paragraph, second sentence reads: ...highway with disk drives, computer screens, laptop computers and modems. We are poised...(correcting misspellings).

Same page, same column, third full paragraph, second sentence reads: ...in Congress, and to the...(omitting words).

## Hong Kong

### Legislators Dismiss Talk of Unconstitutional Court

HK1406092295 Hong Kong EASTERN EXPRESS  
in English 14 Jun 95 p 2

[By Sam Mok, Rain Ren and Wing Kay Po]

[FBIS Transcribed Text] Legislators have brushed aside warnings by legal experts that the newly gazetted court of final appeal [CFA] bill will create an unconstitutional court after 1997.

Legal scholars said that because the CFA legislation will not come into operation until July 1, 1997, even though it is passed and enacted before the handover, it is not one of the "laws previously in force" which the Basic Law says can straddle the handover.

Simon Ip, the legal representative legislator, said "there is not a problem".

"First, once the bill is enacted it will be law, even though it will not come into operation or establish the CFA until July 1, 1997.

"The legislative procedures for the CFA bill will have been completed. It does not require another enactment for it to be effective after the handover.

"If one does not accept the first point, there is a second: that the Basic Law provisions about the transition of laws are not exclusive, they do not imply laws not yet in force cannot straddle the changeover," Ip said.

The legislator Tam Yiu-chung, of the Democratic Alliance for the Betterment of Hong Kong and a member of the Preliminary Working Committee legal subgroup, also disagreed that the provisions of the Basic Law could not carry the CFA legislation over to the special administrative region government.

"So long as China had agreed with the CFA Bill, there would not be any problem," he said.

He agreed that the subject of how to preserve the legal effect of pre-1997 laws beyond the transition needed study.

"Since the CFA accord was made, the prospect for adaptation and localisation of laws looms larger. It is now meaningful to study how the Hong Kong Government can prepare laws for the post-1997 government," he said.

He suggested China's National People's Congress (NPC) could issue a decree to put pre-1997 laws into effect.

Martin Lee, the chairman of the Democratic Party, said the bill as drafted cannot straddle the handover, but he

said he would not do anything about it and would wait until he was on the bills committee.

The Chinese Foreign Ministry's spokesman, Shen Guofang, said the CFA deal represented "a relatively successful co-operation" between China and Britain in handling business relating to Hong Kong's transitional period.

Shen expressed the hope that "it will produce a positive impact on the co-operation between the two sides in the future in handling other matters, and it will positively affect the development of Sino-British relationship".

Local delegates to the NPC wanted to have more up-to-date information about the court, as well as the progress and prospects of the Joint Liaison Group.

Ng Hong-man, a veteran NPC delegate, said that they would invite the Chinese JLG head, Zhao Jihua, to give delegates a briefing on the court agreement on July 12.

Business and diplomatic circles continue to voice their approval for the Sino-British agreement.

Visiting Beijing, William Fung, chairman of the Hong Kong General Chamber of Commerce, said he hoped the CFA agreement was a good start and that it could lead to a resolution to the deadlock on Container Terminals 9 to 11 and the airport financial agreement.

The Business and Professionals Federation of Hong Kong said yesterday the pact represented a resolution to one of the most complex transitional issues and hoped it would lead to cooperation on other outstanding transitional issues.

The Australian Foreign Minister, Gareth Evans, also welcomed the accord, especially "the spirit of cooperation shown by Britain and China".

"The way in which China and Britain co-operate in the 'team designate' being set up to prepare for the establishment of the court will be an important signal to business and others," he said.

The Law Council of Australia, however, sounded an alarm bell on the accord. Its president, Stuart Fowler, said it was disturbed by suggestions from Hong Kong that the rule of law was threatened by the agreement.

He said if the court of appeal and other courts were to be unable to deal with what China defined as "acts of state", and if that meant the Chinese government was not subject to the jurisdiction of the courts, the fundamental principle of the rule of law was "in grave danger".

He said he hoped careful thought would be given to the implications of the proposals for the justice system in Hong Kong under Chinese rule.

**CFA Pact Praised as Result of PWC Labors**

*HK1406071595 Hong Kong WEN WEI PO in Chinese  
10 Jun 95 p A2*

[Editorial: "Agreement on Court of Final Appeal Embodies Results of PWC Work"]

[FBIS Translated Text] After five years of negotiations, China and Britain signed an agreement in Hong Kong yesterday on the issue of setting up a Court of Final Appeal [CFA]. This is the result of joint efforts made by China and Britain, which also reflects the achievements scored by the Preliminary Work Committee [PWC] for the Preparatory Committee of the Hong Kong Special Administrative Region [SAR]. Since it will play a positive role in the smooth transition and handover of state power in the latter half of the transition period, its vital significance and impact cannot be underestimated.

In accordance with the "one country-two systems" principle, the Chinese Government has decided that after restoring its sovereignty over Hong Kong on 1 July 1997, it will grant a high degree of autonomy to the Hong Kong SAR, which will include the power of independent judiciary and of final adjudication, and pertinent stipulations have been made in the Sino-British Joint Declaration and the Basic Law. In 1988, the British side proposed that the CFA be set up before 1997 so as to accumulate experience for the court following the founding of the SAR. The Chinese side adopted a positive attitude toward this proposal, so the two sides reached an agreement in principle in 1991. There are three main points in this agreement: 1) Both sides have reached a consensus with regard to the formation of the CFA and the judges in it; 2) Both sides should have full consultation over every stage of preparations for the establishment of the CFA; and 3) The CFA should be set up at an appropriate time before 1997.

As the Legislative Council voted down the agreement reached between China and Britain, the CFA issue has been laid aside for two years and eight months, so that the good wishes of the Chinese side could not be realized, and the experts from both sides could not sit down together to discuss the matter again until last March. However, owing to the postponement, the CFA could not be set up and go into operation in 1992 or 1993 so as to accumulate experience for the CFA of the SAR as originally expected. According to the present progress, the date of forming the CFA will be later than that of the formation of the future leading body of the Hong Kong SAR in 1996. Therefore, it is logical to let the Hong Kong SAR take charge of the formation of the CFA. With regard to the eight-point proposal on the CFA for the Hong Kong SAR put forward by the PWC, the British side faces a prompt

decision between two options: 1) As the eight-point proposal put forward by the PWC is fair and reasonable, is in keeping with the Joint Declaration and Basic Law, and is conducive to building up the confidence of the Hong Kong people and of international investors in the CFA of the SAR, it would be best for the British side to accept the proposal as quickly as possible and to reach an agreement at an early date, so that the British side will be able to participate in and help establish the CFA. 2) If the British side takes an antagonistic attitude and refuses to accept the eight-point proposal and reach an agreement, then the CFA set up unilaterally now cannot straddle 1997 according to legal principle, and relevant preparations for the formation of the Hong Kong SAR's CFA will be totally left in the hands of the future SAR's leading body, and the British side will be completely unable to participate in the preparations.

After weighing the pros and cons, the British side immediately declared, in the manner of "having been learned from the media indirectly," that the Executive Council would revise the draft bill on the CFA in light of the PWC's eight-point proposal.

In the latter half of the transition period, whether or not matters concerning the transition should be negotiated jointly by China and Britain, and put into practice after an agreement is reached, or whether the British side should take unilateral action before any agreement is reached, such as the political reform package, is an issue over which the two sides have argued for three years. The Chinese side cannot just sit and wait for British cooperation. If the British side refuses to cooperate in every respect, creates trouble, and tries to make the Basic Law a mere figurehead, then it will be very difficult for the Hong Kong SAR to operate properly on 1 July 1997, and the SAR will find itself helpless in the face of a chaotic situation, in which things are not well-linked to the Basic Law. The establishment of the PWC, the fruitful results it has attained, and the important role it will exercise in ensuring the smooth transition to 1997, are acknowledged more and more by the Hong Kong people. The eight-point proposal put forward by the PWC is part and parcel of its achievements, and its excellent performance has pushed forward the development of the situation. Without the meticulous and farsighted work of the PWC, it is impossible to remove the various obstacles and trouble placed in the way of forming the CFA.

Clause 5 of the CFA agreement reached yesterday between China and Britain provides that the future leading body of the Hong Kong SAR will be responsible for the formation of the CFA on 1 July 1997. This has demonstrated the sincerity the Chinese side has shown in implementing the principle of Hong Kong's being



ruled by Hong Kong people. The Hong Kong people are entirely capable and confident of setting up a CFA that will merit the trust of international investors. The agreement has created conditions for the Hong Kong people to actually participate in Hong Kong affairs before 1997, and also laid a solid foundation for the Hong Kong people to administer Hong Kong after 1997. A small handful of politicians prattle every day over Hong Kong's being ruled by the Hong Kong people, yet in face of the agreement reached between China and Britain, which is conducive to the practice of Hong Kong's being ruled by Hong Kong people, they will, as a rule, attack and hurl abuse at the agreement. Their acts run counter to the principle of Hong Kong's being ruled by Hong Kong people. Through the dispute over the CFA, the Hong Kong people are completely capable of differentiating who genuinely represents the interests of the Hong Kong people.

According to past experience, after China and Britain reach an agreement, some people will still make trouble in the Legislative Council in an attempt to hinder the agreement's being carried out smoothly. The Hong Kong people do hope that the British side will ensure the actual implementation of the agreement because it is responsible for the administration of Hong Kong before 1997, as well as for the implementation of all agreements reached between China and Britain. Only by carrying out these agreements strictly can a smooth transition be guaranteed.

The signing of the CFA agreement merits the Hong Kong people's feeling pleased. If the British side returns to the orbit of cooperation in other fields concerning the transition, it will be beneficial to the improvement of Sino-British relations, to stability and prosperity in Hong Kong, and to long-term British interests as well.

#### **Wu Bangguo, Hong Kong Delegation Discuss Reform**

*OW1306130495 Beijing XINHUA in English  
1241 GMT 13 Jun 95*

[FBIS Transcribed Text] Beijing, June 13 (XINHUA) — Chinese Vice-Premier Wu Bangguo met here today with a delegation from the Hong Kong General Chamber of Commerce (HKGCC) led by its chairman, William Fung.

Wu briefed the Hong Kong visitors on the current political and economic situation in China as well as the country's reform and opening-up drive.

China's political situation is "stable", Wu said, adding that the Chinese people are striving to build socialism with Chinese characteristics, as put forward by Deng Xiaoping, under the leadership of the third generation

of leaders of the Chinese Communist Party Central Committee with Jiang Zemin at the core.

Speaking of China's economic situation, Wu described it as "good", saying that obvious achievements have been gained in the control of inflation by the country's macro-control policy.

The momentum of investment scale in fixed assets and the sharp increase in consumer capital have been effectively curbed, Wu noted.

China's reform and opening-up policy will not be changed, Wu told the Hong Kong visitors, but some opening-up measures should be adjusted so as to adapt them to international practises, he added.

The vice-premier also expressed his admiration for the HKGCC's long-standing co-operation with the Chinese mainland and his hope that the HKGCC would continue to play a positive role in promoting Hong Kong's economy, and maintaining the territory's prosperity and stability.

#### **Daily Quota for Immigration Permits Increased**

*OW1306130595 Beijing XINHUA in English  
1239 GMT 13 Jun 95*

[FBIS Transcribed Text] Hong Kong, June 13 (XINHUA) — The Hong Kong government today announced that the daily quota for one-way permits for Chinese mainlanders to come and settle in Hong Kong will be increased from 105 to 150 from July 1, 1995.

A government spokesman said the increase was proposed by the Immigration Department and agreed to by the Bureau of the Exit-Entry Administration of the Chinese Ministry of Public Security.

Of the 45 additional places, 30 will be given to mainland children who will have the right of abode in Hong Kong after 1997 and the rest to persons separated from their spouses for 10 years or more, said the spokesman.

According to the spokesman, for the first year, however, the additional quota for eligible children will only benefit those outside the school-age range, that is those who are newly-born to five years old and those between 16 and 20 years old.

"The age restriction in the first year will ensure that school- aged children will only come at a time when there are vacancies in our secondary schools, and will thus reduce the impact on education services," said the spokesman.

The secondary school population will reach a peak in 1995-96 and will begin to fall in the following year, he said.

The spokesman said that despite the arrangement, 10 more primary schools and another 10 secondary schools will still be needed for the new comers between now and 2002.

He said that the government has set aside 208 million HK [Hong Kong] dollars (27 million US dollars) for building five primary schools for completion in 1997-98.

Another 55 million HK dollars (seven million US dollars) and 122.5 million HK dollars (16 million US dollars) have been set aside for additional recurrent expenditure in education services for 1996-97 and 1997-98 respectively, he added.

Under the Basic Law, from July 1, 1997 a person of Chinese nationality born outside Hong Kong will have the right of abode in Hong Kong if, at the time of birth, one of his parents is a permanent resident of Hong Kong, said the spokesman.

The Hong Kong government estimates that there are now some 64,000 such children living in the Chinese mainland.

With the increased daily intake of 45, the spokesman said that the estimated number of children with the right of abode remaining in the Chinese mainland would be reduced to 29,000 by July 1997.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

- Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.
- Headlines and all bracketed explanatory notes are supplied by FBIS.
- Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

### **SUBSCRIPTION INFORMATION**

#### **U.S. Government Customers**

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS  
P.O. Box 2604  
Washington, DC 20013-2604  
Telephone: (202) 338-6735  
FAX: (703) 733-6042

#### **Non-Government Customers**

Subscriptions are available from the National Technical Information Service:

NTIS  
5285 Port Royal Road  
Springfield, VA 22161  
Telephone: (703) 487-4630  
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.



**END OF**

**FICHE**

**DATE FILMED**

16 June 95

